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## **JIANGNAN GROUP LIMITED**

**江南集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1366)**

### **VOLUNTARY ANNOUNCEMENT ENTERING INTO STRATEGIC COOPERATION AGREEMENT BETWEEN JIANGNAN CABLE AND CHINA GEZHOUBA GROUP INTERNATIONAL ENGINEERING\***

This is a voluntary announcement made by Jiangnan Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

On 8 December 2015, Wuxi Jiangnan Cable Co., Ltd. (“**Jiangnan Cable**”), a subsidiary of Jiangnan Group, entered into a strategic cooperation agreement (the “**Cooperation Agreement**”) with China Gezhouba Group International Engineering Co., Ltd\* (中國葛洲壩集團國際工程有限公司) (“**Gezhouba Engineering** (葛洲壩工程)”). Following the national policy of “the Belt and Road Initiatives (一帶一路)” and development strategy of the “Go Out Policy (走出去)”, the parties will join hands to achieve developments in the international market, in particular the strengthening of expansion and cooperation in EPC projects and the sale of cables driven by EPC projects, through leveraging the complementary advantages and mutual benefits derived from the cooperative win-win principle.

Gezhouba Engineering (葛洲壩工程) is a wholly-owned subsidiary of China Gezhouba Group Co., Ltd. (“China Gezhouba”), which is responsible for the overseas businesses of China Gezhouba in the aspects of international project contracting, construction consultancy and project management, with fruitful achievements in the fields of dam and reservoir construction project, hydraulic power project, power transmission and transformation project, water conservancy project, road and bridge project, municipal project and house-building project. The current market coverage extends to 149 countries, with 99 overseas branches and 88 international projects in progress.

\* For identification purpose only

Jiangnan Group is a renowned leading manufacturer of wires and cables in the PRC. Its subsidiary, namely Jiangnan Cable, is a state key high technology enterprise (國家重點高新技術企業), which has been accredited as one of the “Top 500 Manufacturers in the PRC (中國製造業500強)” for three consecutive years. The Company was listed on Hong Kong’s main board in 2012, and the important direction of the Company’s strategic development is to actively expand its international business. Benefiting from the extensive product mix and complete certifications of the Group, its products are well received by both domestic and overseas users from nearly 70 countries and regions all over the world.

The cooperation area is divided into two sections:

- (1) The international projects followed by Gezhouba Engineering (葛洲壩工程) are required to use the products of Wuxi Jiangnan, subject to the fulfillment of the requirements of the property owners;
- (2) The international projects followed by Wuxi Jiangnan or other members within the Group shall be engaged by Gezhouba Engineering (葛洲壩工程), except that Gezhouba Engineering (葛洲壩工程) has no intention to do so.

The specific issues of the cooperation shall be negotiated between the parties according to the progress of projects. Cooperation framework agreements and formal project cooperation agreements shall be signed at different stages of individual projects.

The Cooperation Agreement shall be valid for three years. The execution and legal effect of the relevant project cooperation agreements signed for specific projects during the period in which the Cooperation Agreement is effective shall not be prejudiced upon the termination of the same.

With the support of the “One Belt and One Road (一帶一路)” policy, the Group will expedite the development of its international businesses through the strategic cooperation with Gezhouba Engineering (葛洲壩工程) by way of resources sharing, the successful experience in exploring international markets the Group gained from its operation for years, as well as the cooperative relationship with regions such as Africa, South-east Asia and South-America. The Group will implement differentiated strategic management for the expansion into international markets in the future. The Group’s international businesses will enter the stage of harvest. Along with the rapid growth in the sales of cables, EPC projects and international sales, it is expected that the target of the Group’s international businesses for the coming three years will exceed 20% of its total sales volume.

On behalf of the Board  
**Jiangnan Group Limited**  
**Rui Fubin**  
Chairman

Hong Kong, 10 December, 2015

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Rui Fubin, Mr. Chu Hui, Ms. Xia Yafang, Mr. Jiang Yongwei and Mr. Hao Minghui; and three independent non-executive directors, namely Mr. He Zhisong, Mr. Yang Rongkai and Mr. Poon Yick Pang Philip.*