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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)

SHARE GRANT PURSUANT TO SHARE AWARD SCHEME

Reference is made to the announcement of Jiangnan Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 9 September 2015 (the “**Announcement**”) in relation to the adoption of the share award scheme (the “**Share Award Scheme**”) by the board of directors of the Company (the “**Board**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

On 28 January 2016, the Board resolved to grant an aggregate of 35,300,000 shares in the capital of the Company (the “**Awarded Shares**”) to 21 selected officers and employees of the Group (the “**Selected Employees**”) pursuant to the Share Award Scheme, of whom (i) Mr. Chu Hui, Ms. Xia Yafang, Mr. Jiang Yongwei and Mr. Hao Minghui are executive directors of the Company, and (ii) the remaining 17 Selected Employees are senior management of the Group. Details of the Awarded Shares are as follows:

Name of Selected Employee	Position	Awarded Shares Granted
Mr. Chu Hui	Executive director and the chief executive officer of the Company	2,000,000
Ms. Xia Yafang	Executive director of the Company	2,000,000
Mr. Jiang Yongwei	Executive director of the Company	2,000,000
Mr. Hao Minghui	Executive director of the Company	2,000,000
Remaining 17 Selected Employees	Senior management of the Group	27,300,000

The Awarded Shares granted to Selected Employees shall vest according to the following dates (“**Vesting Dates**”):

Vesting Date	Awarded Shares to be vested
1st April 2016	25% of the Awarded Shares
1st April 2017	25% of the Awarded Shares
1st April 2018	25% of the Awarded Shares
1st April 2019	25% of the Awarded Shares

If the Vesting Date is not a Business Day (as defined in the Share Award Scheme), the Awarded Shares shall vest on the Business Day immediately thereafter.

The Awarded Shares granted to the Selected Employees shall vest on the Vesting Dates subject to the fulfillment of the performance targets set out below:

- i. for the Awarded Shares to be vested on 1 April 2017, 1 April 2018 and 1 April 2019 the Company shall record a 20% increase (or less according to the discretion of the Board after taking into account the financial conditions of the Group in the relevant year) in net profit after taxation (excluding all exceptional items) for the financial year ending 31 December 2016, 31 December 2017 and 31 December 2018 respectively, compared with that for the immediate preceding financial year;
- ii. the relevant Selected Employee shall achieve his/her performance target as imposed by the Board.

On or not later than twenty-eight (28) Business Days after the Vesting Dates, the relevant Awarded Shares shall be transferred by the trustee of the Share Award Scheme to the relevant Selected Employee at a consideration of HK\$0.01 per Awarded Share.

The Awarded Shares represent approximately 0.87% of the issued share capital of the Company as at the date of this announcement. Other than the Awarded Shares disclosed above, the Company has not granted any Awarded Shares pursuant to the Share Award Scheme since its adoption.

On behalf of the Board
Jiangnan Group Limited
Rui Fubin
Chairman

28 January 2016

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.