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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**

#### **SHAREHOLDING STRUCTURE OF THE COMPANY**

**AS AT 31 MARCH 2016**

This is a voluntary announcement of Jiangnan Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) to inform its shareholders and potential investors on the Company’s shareholding structure as at 31 March 2016, following the completion of the inquiries (“**Inquiries**”) made by the Company in relation to the interests in the shares of the Company (“**Shares**”) pursuant to section 329 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) on 28 April 2016.

The Company noted that certain commentaries and articles have been published recently on the internet suggesting high concentration of the shareholding in the Company, which were based on the announcement (“**2012 Announcement**”) made by the Securities and Future Commission (“**SFC**”) on 19 September 2012 regarding the then high concentration of shareholding in the Company. In this respect, the board (“**Board**”) of directors of the Company wishes to inform the shareholders and potential investors of the Company that the SFC has explicitly stated on its website and in the 2012 Announcement that the 2012 Announcement only reflected the status of the Company’s shareholding structure as at the time mentioned in the 2012 Announcement, i.e. 10 September 2012. Therefore, the shareholders and potential investors of the Company should note that the information disclosed in the 2012 Announcement might or might not apply to the Company as of a subsequent date and investors should exercise caution when interpreting or relying on such information.

In fact, the Company had demonstrated in its announcement dated 18 February 2016, that the shareholding structure of the Company as at 31 December 2015, has been diversified instead of highly concentrated as compared with the shareholding structure of the Company as at 10 September 2012. To allow the shareholders and potential investors of the Company to have a better understanding of the Company's recent shareholding structure, the Board, based on the Inquiries and to the best of its knowledge having made all reasonable enquiries, has analysed the shareholding structure of the Company as at 31 March 2016, which is as follows:

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Power Heritage Group Limited <i>(Notes 1 &amp; 2)</i>	1,248,800,000	30.62
Chu Hui <i>(Note 3)</i>	167,786,000	4.11
Rui Yiping <i>(Notes 1 &amp; 4)</i>	448,000,000	10.98
Xia Yafang <i>(Note 3)</i>	612,000	0.01
KDG Investment Limited <i>(Note 5)</i>	148,740,000	3.65
Nexus NS Limited <i>(Note 5)</i>	148,740,000	3.65
A group of 117 institutional shareholders who held 50,000 Shares or more <i>(Note 6)</i>	1,085,480,763	26.61
A group of 379 private shareholders who held 50,000 Shares or more <i>(Note 7)</i>	786,203,492	19.28
Other shareholders	<u>44,503,745</u>	<u>1.09</u>
	<u><u>4,078,866,000</u></u>	<u><u>100</u></u>

*Note 1:* Based on the disclosure of interests published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk).

*Note 2:* As at 31 March 2016, Power Heritage Group Limited was wholly-owned by Mr. Chu Hui, the chairman and an executive director of the Company.

*Note 3:* These represent Shares held by the relevant shareholders of the Company based on the disclosure of interests published on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk), but excluding the Shares not yet vested to the relevant shareholders of the Company.

*Note 4:* Mr. Rui Yiping is the brother-in-law of Mr. Chu Hui.

*Note 5:* These represent the consideration shares issued by the Company on 29 April 2015, details of which are set out in the Company's announcements dated 14 April 2015 and 29 April 2015. According to the register of members of the Company as at 31 March 2016, these shareholders still held the Shares on 31 March 2016.

*Note 6:* Based on the Inquiries for shareholding at or over 50,000 Shares, there were 117 institutional shareholders. Out of the 117 institutional shareholders, Value Partners Limited held 307,546,000 Shares (representing 7.54% of the issued Shares as at 31 March 2016).

*Note 7:* Based on the Inquiries for shareholding at or over 50,000 Shares, there were 379 private shareholders.

The above demonstrates that the shareholding structure of the Company as at 31 March 2016 has been diversified as compared with that as at 10 September 2012. The high concentration of shareholding in the Company as at 10 September 2012 as stated in the 2012 Announcement is no longer valid and should not be used as a basis to evaluate the current status of the shareholding structure of the Company. The shareholders and potential investors of the Company should exercise caution in interpreting or relying on any information regarding the Group published in the press which has not been confirmed by the Company.

On behalf of the Board  
**Jiangnan Group Limited**  
**Chu Hui**  
*Chairman*

Hong Kong, 12 July 2016

*As at the date of this announcement, the Board comprises four executive directors, namely 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.*