

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JIANGNAN GROUP LIMITED

江南集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE AT HK\$0.28 PER RIGHTS SHARE

RESULTS OF THE RIGHTS ISSUE

The Board wishes to announce that at 4:00 p.m. on Tuesday, 15 October 2019, being the Latest Time for Acceptance of and the payment for the Rights Shares and application and payment for excess Rights Shares, a total of 26 valid applications and acceptances had been received, which comprised:

- (i) a total of 13 valid acceptances of provisional allotments under the PALs in respect of 1,085,923,510 Rights Shares have been received, representing approximately 53.25% of the total number of the Rights Shares available under the Rights Issue; and
- (ii) a total of 13 valid applications for excess Rights Shares under the EAFs in respect of 189,762,010 excess Rights Shares have been received, representing approximately 9.30% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the 1,275,685,520 Rights Shares validly accepted and applied for under the PALs and the EAFs represented approximately 62.55% of the total number of 2,039,433,000 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 763,747,480 Rights Shares, representing approximately 37.45% of the total number of 2,039,433,000 Rights Shares available for subscription under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination of the Underwriting Agreement, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 18 October 2019.

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for 763,747,480 Untaken Shares, representing approximately 37.45% of the total number of 2,039,433,000 Rights Shares available for subscription under the Rights Issue.

As confirmed by the Underwriter, all subscribers procured by it are Independent Third Parties.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Wednesday, 23 October 2019.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Thursday, 24 October 2019.

Reference is made to the prospectus of Jiangnan Group Limited (“**Company**”) dated 27 September 2019 (“**Prospectus**”). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board wishes to announce that at 4:00 p.m. on Tuesday, 15 October 2019, being the Latest Time for Acceptance of and the payment for the Rights Shares and application and payment for excess Rights Shares, a total of 26 valid applications and acceptances had been received, which comprised:

- (i) a total of 13 valid acceptances of provisional allotments under the PALs in respect of 1,085,923,510 Rights Shares have been received, representing approximately 53.25% of the total number of the Rights Shares available under the Rights Issue; and

- (ii) a total of 13 valid applications for excess Rights Shares under the EAFs in respect of 189,762,010 excess Rights Shares have been received, representing approximately 9.30% of the total number of Rights Shares available under the Rights Issue.

In aggregate, the 1,275,685,520 Rights Shares validly accepted and applied for under the PALs and the EAFs represented approximately 62.55% of the total number of 2,039,433,000 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 763,747,480 Rights Shares (“**Untaken Shares**”), representing approximately 37.45% of the total number of 2,039,433,000 Rights Shares available for subscription under the Rights Issue.

THE UNDERWRITING AGREEMENT

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter prior to the Latest Time for Termination of the Underwriting Agreement, the Underwriting Agreement became unconditional at 4:00 p.m. on Friday, 18 October 2019.

As a result of the under-subscription of the Rights Shares and in accordance with the Underwriting Agreement, the Underwriter has procured subscribers to subscribe for 763,747,480 Untaken Shares, representing approximately 37.45% of the total number of 2,039,433,000 Rights Shares available for subscription under the Rights Issue.

As confirmed by the Underwriter, all subscribers procured by it are Independent Third Parties.

EXCESS RIGHTS SHARES

Given the under-subscription of the Rights Shares, the Directors consider that it is fair and reasonable to accept all valid EAFs and allot the excess Rights Shares to such applicants in full and therefore, no refund cheques for wholly and partially unsuccessful applications for excess Rights Shares will be posted.

DESPATCH OF SHARE CERTIFICATES

Share certificates for all fully-paid Rights Shares will be posted to those entitled thereto by ordinary post at their own risk on Wednesday, 23 October 2019. Each such entitled will receive one share certificate for all the Rights Shares in fully-paid form, except HKSCC Nominees Limited.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange will commence at 9:00 a.m. on Thursday, 24 October 2019.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and immediately after completion of the Rights Issue will be as follows:

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Power Heritage (Note 1)	1,258,838,000	30.86	1,888,257,000	30.86
Mr. Chu (Note 1)	168,286,000	4.13	252,429,000	4.13
Ms. Xia	1,112,000	0.03	1,668,000	0.03
Mr. Han Wei (Note 2)	1,000,000	0.02	1,500,000	0.02
Mr. Jiang	1,000,000	0.02	1,500,000	0.02
Subscribers procured by the Underwriter (Note 3)	—	—	763,747,480	12.48
Other public Shareholders	<u>2,648,630,000</u>	<u>64.94</u>	<u>3,209,197,520</u>	<u>52.45</u>
	<u>4,078,866,000</u>	<u>100.00</u>	<u>6,118,299,000</u>	<u>100.00</u>

Notes:

1. Power Heritage is a company wholly-owned by Spectrum Investment (HK) Limited, a wholly-owned subsidiary of 無錫光普投資有限公司, which is wholly-owned by Mr. Chu. Apart from the Shares beneficially held by Mr. Chu, Mr. Chu is also considered to be interested in the Shares held by Power Heritage.
2. Mr. Han Wei is the spouse of Ms. Xia.
3. Pursuant to the Underwriting Agreement, each of the subscribers of the Untaken Shares procured by the Underwriter is an Independent Third Party, and none of them will become a substantial shareholder of the Company as a result of such subscription and such subscriber, together with parties acting in concert with it, will not be holding 29.9% or more of the issued share capital of the Company upon the allotment and issue of the Rights Shares.
4. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

On behalf of the Board
Jiangnan Group Limited
 江南集團有限公司
Chu Hui
 Chairman

Hong Kong, 22 October 2019

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chu Hui, Ms. Xia Yafang and Mr. Jiang Yongwei; and three independent non-executive directors, namely Mr. He Zhisong, Mr. Yang Rongkai and Mr. Kan Man Yui, Kenneth.