

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiangnan Group Limited (“Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.



JIANGNAN GROUP LIMITED

江南集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

Underwriter of the Rights Issue



Terms used in this cover page have the same meanings as defined in this prospectus.

The Rights Issue is conditional upon the fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” in the section headed “Letter from the Board” on pages 16 to 17 of this prospectus.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, any time prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as more particularly described in the section headed “Termination of the Underwriting Agreement” in this prospectus. **The Rights Issue is therefore subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.**

The Shares have been dealt with on an ex-rights basis from Thursday, 19 September 2019. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 2 October 2019 to Thursday, 10 October 2019 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter on or before 4:00 p.m. on Friday, 18 October 2019 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases), and any dealings in the nil-paid Rights Shares between Wednesday, 2 October 2019 to Thursday, 10 October 2019 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

The latest time for acceptance of and payment for Rights Shares is 4:00 p.m. on Tuesday, 15 October 2019. The procedure for acceptance of and payment for or transfer of the Rights Shares are set out on page 14 of this prospectus.

27 September 2019

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Announcement”	the announcement of the Company dated 26 August 2019 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal number 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Committed Shares”	the Mr. Chu Committed Shares, the Mr. Jiang Committed Shares, the Ms. Xia Committed Shares and the Power Heritage Committed Shares
“Company”	Jiangnan Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Excluded Shareholder(s)”	the Overseas Shareholder(s), whom the Directors, based on legal opinions provided by legal advisers of the Company and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary, or expedient not to offer the Rights Shares

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any third parties independent of the Company and its connected persons
“Last Trading Day”	Monday, 26 August 2019, being the date of the Announcement
“Latest Practicable Date”	23 September 2019, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 15 October 2019 or such later time or date as may be agreed between the Parties in writing as the latest time for acceptance of, and payment for, the Rights Shares as described in this prospectus and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at anytime before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on Friday, 18 October 2019, being the third Business Day after the Latest Time for Acceptance, or such later time or date as may be agreed between the Company and the Underwriter
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chu”	Mr. Chu Hui, an executive Director, the chairman, chief executive officer of the Company and a controlling Shareholder

DEFINITIONS

“Mr. Chu Committed Shares”	the aggregate of 84,143,000 Rights Shares agreed to be taken up by Mr. Chu pursuant to the Mr. Chu Undertaking
“Mr. Chu Undertaking”	the irrevocable and unconditional undertaking given by Mr. Chu in favour of the Company and the Underwriter on 26 August 2019 pursuant to which Mr. Chu has undertaken to (i) remain as the beneficial owner of the 168,286,000 Shares beneficially held by him at the close of business on the Record Date; (ii) not to change his address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and (iii) apply for and pay for 84,143,000 Rights Shares provisionally allotted to him pursuant to the Rights Issue
“Mr. Jiang”	Mr. Jiang Yongwei, an executive Director and the vice-president of the Company
“Mr. Jiang Committed Shares”	the aggregate of 500,000 Rights Shares agreed to be taken up by Mr. Jiang pursuant to the Mr. Jiang Undertaking
“Mr. Jiang Undertaking”	the irrevocable and unconditional undertaking given by Mr. Jiang in favour of the Company and the Underwriter on 26 August 2019 pursuant to which Mr. Jiang has undertaken to (i) remain as the beneficial owner of the 1,000,000 Shares beneficially held by him at the close of business on the Record Date; (ii) not to change his address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and (iii) apply for and pay for 500,000 Rights Shares provisionally allotted to him pursuant to the Rights Issue
“Ms. Xia”	Ms. Xia Yafang, an executive Director and the executive vice-president of the Company
“Ms. Xia Committed Shares”	the aggregate of 556,000 Rights Shares agreed to be taken up by Ms. Xia pursuant to the Ms. Xia Undertaking
“Ms. Xia Undertaking”	the irrevocable and unconditional undertaking given by Ms. Xia in favour of the Company and the Underwriter on 26 August 2019 pursuant to which Ms. Xia has undertaken to (i) remain as the beneficial owner of the 1,112,000 Shares beneficially held by her at the close of business on the Record Date; (ii) not to change her address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and (iii) apply for and pay for 556,000 Rights Shares provisionally allotted to her pursuant to the Rights Issue

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) on that date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue
“Power Heritage”	Power Heritage Group Limited, a controlling Shareholder
“Power Heritage Committed Shares”	the aggregate of 629,419,000 Rights Shares agreed to be taken up by Power Heritage pursuant to the Power Heritage Undertaking
“Power Heritage Undertaking”	the irrevocable and unconditional undertaking given by Power Heritage in favour of the Company and the Underwriter on 26 August 2019 pursuant to which Power Heritage has undertaken to (i) remain as the beneficial owner of the 1,258,838,000 Shares beneficially held by it at the close of business on the Record Date; (ii) not to change its registered address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and (iii) apply for and pay for 629,419,000 Rights Shares provisionally allotted to it pursuant to the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus Documents”	this prospectus, the PAL, and the EAF
“Prospectus Posting Date”	Friday, 27 September 2019, being the date of despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 26 September 2019, being the date for the determination of the entitlements under the Rights Issue
“Registrar”	Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Shares”	2,039,433,000 Shares, proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue for subscription on the terms set out in the Underwriting Agreement and the Prospectus Documents
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.28 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“substantial shareholder”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers, as modified, amended and supplemented from time to time
“Underwriter”	Valuable Capital Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 26 August 2019 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares other than the Committed Shares (being 1,324,815,000 Rights Shares)
“%”	per cent.

EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Rights Issue. The expected timetable may be subject to changes and the Company will notify the Shareholders on any changes to the expected timetable as and when appropriate.

Date (2019)

First day of dealings in nil-paid Rights Shares.....	9:00 a.m. on Wednesday, 2 October
Latest time for splitting of PALs.....	4:30 p.m. on Friday, 4 October
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Thursday, 10 October
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 15 October
Latest Time for Termination of the Underwriting Agreement.....	4:00 p.m. on Friday, 18 October
Announcement of allotment results.....	Tuesday, 22 October
Despatch of certificates for fully-paid Rights Shares and refund cheques (if any).....	Wednesday, 23 October
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 24 October

All times and dates specified in this prospectus refer to Hong Kong local times and dates. Dates stated in this prospectus for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

All times and dates specified in this prospectus refer to Hong Kong local times and dates. If there is a 'black' rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Tuesday, 15 October 2019, being the date of the Latest Time of Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same Business Day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

Under such circumstances, the dates mentioned in the expected timetable above (including, without limitation, the Latest Time for Termination) may be affected.

Dates stated in this prospectus for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the above expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if, prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the legal existence of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affects the business or the financial or trading position or prospects of the Group as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten (10) consecutive Business Days otherwise than due to or in connection with or in relation to the Underwriting Agreement and/or the Rights Issue and excluding any suspension in connection with the clearance of the Announcement or other matters in connection with the Underwriting Agreement and/or the Rights Issue, or
- (viii) this prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

If the Underwriting Agreement is terminated by the Underwriter on or before the aforesaid deadline, the Underwriting Agreement shall terminate (save in respect of the Underwriter's right to terminate as aforesaid, the provisions in the Underwriting Agreement in relation to the announcements and confidentiality, notices and governing law, and the fees and expenses as specified in the Underwriting Agreement) and neither the Underwriter nor the Company shall have any claim against the other in respect of any matter arising out of or in connection with the Underwriting Agreement save for any antecedent breaches.

The Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Time for Termination, to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which, if it had occurred or arisen before the date of the Underwriting Agreement, would have rendered any of the representations, warranties and undertakings given by the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

LETTER FROM THE BOARD



JIANGNAN GROUP LIMITED

江南集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1366)

Executive Directors:

Mr. Chu Hui (*Chairman and Chief Executive Officer*)

Ms. Xia Yafang

Mr. Jiang Yongwei

Independent non-executive Directors:

Mr. He Zhisong

Mr. Yang Rongkai

Mr. Kan Man Yui Kenneth

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111, Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 09, 23rd Floor

Metropole Square

2 On Yiu Street

Shatin, New Territories

Hong Kong

27 September 2019

To the Qualifying Shareholders and, for information only, the Excluded Shareholders

Dear Sir or Madam

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to the Rights Issue. The Board announced that the Company proposed to raise approximately HK\$571.0 million before expenses by way of Rights Issue, on the basis of one Rights Share for every two existing Shares held on the Record Date at the Subscription Price of HK\$0.28 per Rights Share. Qualifying Shareholders will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess application.

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with details regarding the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares and other information in respect of the Group.

TERMS OF THE RIGHTS ISSUE

Details of the Rights Issue are set out as below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	4,078,866,000 Shares
Number of Shares in issue as at the Record Date	:	4,078,866,000 Shares
Number of Rights Shares	:	2,039,433,000 Rights Shares
Aggregate nominal value of the Rights Shares to be issued	:	HK\$20,394,330
Subscription Price	:	HK\$0.28 per Rights Share
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	HK\$61,182,990 comprising 6,118,299,000 Shares
Funds raised before expenses	:	approximately HK\$571.0 million

As at the Latest Practicable Date, the Company did not have any pre-existing obligation to issue Shares or any outstanding warrants, share options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders and this prospectus, for information only, to the Excluded Shareholders on the Prospectus Posting Date. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. not be an Excluded Shareholder.

LETTER FROM THE BOARD

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below. Based on latest available register of members of the Company as at the Latest Practicable Date, there were one Overseas Shareholder situated in the PRC and one Overseas Shareholder situated in the Republic of Philippines (“**Philippines**”).

The Company has complied with all necessary requirements specified in Rule 13.36(2)(a) of the Listing Rules and has made enquiry with its legal advisers regarding the feasibility of extending the Rights Issue to the Overseas Shareholders under the laws of the relevant place and the requirements of the relevant regulatory body or the stock exchange.

Based on the advice provided by the legal adviser as to the PRC laws, the Directors are of the view that it is expedient to extend the Rights Shares to the Overseas Shareholders in the PRC as there are no legal restrictions prohibiting the offer of the Rights Shares in such jurisdictions and no local legal or regulatory compliance is required to be made nor approval, permit or consent from relevant governmental authorities is required to be obtained in such jurisdictions.

Based on the advice provided by the legal adviser as to the Philippines laws, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholder in Philippines, who held 2,000 Shares (representing approximately 0.00005% of the total issued Shares) as at the Latest Practicable Date, for the purpose of the Rights Issue and such Overseas Shareholder will be regarded as an Excluded Shareholder as the extension of the Rights Issue to such Excluded Shareholder would, or might, in the absence of compliance with registration or other exemption requirements or other special formalities, be unlawful or impracticable and the cost to be incurred and time required for complying with the registration requirements would outweigh the possible benefits to the Company and the Excluded Shareholder. The Company will send a copy of this prospectus (without the PAL and the EAF) to the Excluded Shareholder for information only.

It is the responsibility of the Shareholders, including the Overseas Shareholders, to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) to the Rights Shares and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.28 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 13.8% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 1.8% to the closing price of HK\$0.285 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (iii) a discount of approximately 13.6% to the average closing price of HK\$0.324 per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day;
- (iv) a discount of approximately 14.8% to the average closing price of HK\$0.3285 per Share as quoted on the Stock Exchange for the 10 consecutive trading days ended on the Last Trading Day; and
- (v) a discount of approximately 9.7% to the theoretical ex-rights price of HK\$0.31 per Share, based on the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on the Last Trading Day.

Based on the Subscription Price of HK\$0.28, the estimated gross proceeds of the Rights Issue will be approximately HK\$571.0 million. The net proceeds from the Rights Issue to be received by the Company are expected to be approximately HK\$555.0 million. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.27.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares and the market conditions. The Directors (including the independent non-executive Directors) consider that the discount of the Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment will be one (1) Rights Share (in nil-paid form) for every two (2) Shares held by Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights

LETTER FROM THE BOARD

Shares being applied for with the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

Fractions of the Rights Shares

The Company will not provisionally allot and accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold by the Company in the market, and if a premium (net of expenses) can be achieved, the Company will retain the proceeds from such sale(s) for its benefit. No odd lot matching services will be provided for the Rights Shares.

Status of the Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of the allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 23 October 2019. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Wednesday, 23 October 2019 by ordinary post at such Shareholders' own risk.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for, (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders; and (iii) the aggregation of the fractional entitlements of the Qualifying Shareholders which are not sold by the Company. Application may be made by completing the EAF for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares to the Qualifying Shareholders who have applied for excess application on a pro-rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share. No preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

LETTER FROM THE BOARD

Procedure for acceptance and payment or transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 15 October 2019 (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable — Effect of Bad Weather on the Latest Time For Acceptance and Payment for the Rights Shares and Application for Excess Rights Shares"). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Jiangnan Group Limited — Rights Issue Account**" and crossed "**Account payee only**". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 15 October 2019, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PAL or to transfer part of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 4 October 2019 to the Registrar, who will cancel the original PAL and issue new PALs in the denomination required which will be available for collection from the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

Excess Rights Shares

If the Qualifying Shareholders wish to apply for any Rights Shares in addition to the provisional allotment, the Qualifying Shareholders must complete and sign the EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Tuesday, 15 October 2019 (or, under bad weather conditions, such later date as mentioned in the section headed “Expected Timetable — Effect of Bad Weather on the Latest Time For Acceptance and Payment for the Rights Shares and Application for Excess Rights Shares”). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Jiangnan Group Limited — Excess Application Account**” and crossed “**Account Payee Only**”. It should be noted that the allotment of excess Rights Shares will be made by the Directors on a fair and equitable basis but Shareholders are not guaranteed to be allotted all or any of the excess Rights Shares applied for.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at their own risk to their respective registered addresses by the Registrar on or before Wednesday, 23 October 2019.

Application for listing

The Company has made application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in their fully-paid form to be admitted into CCASS.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of this prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares by no later than the first day of their dealings;

LETTER FROM THE BOARD

- (iv) the delivery of the duly executed (i) Mr. Chu Undertaking; (ii) Mr. Jiang Undertaking; (iii) Ms. Xia Undertaking and (iv) Power Heritage Undertaking to the Company and the Underwriter on or before the date of the Underwriting Agreement;
- (v) the compliance with and, where applicable, performance of all undertakings and obligations by (i) Mr. Chu of the Mr. Chu Undertaking; (ii) Mr. Jiang of the Mr. Jiang Undertaking; (iii) Ms. Xia of the Ms. Xia Undertaking and (iv) Power Heritage of the Power Heritage Undertaking, on or before the Latest Time for Acceptance; and
- (vi) the obligations of the Underwriter having become unconditional and the Underwriting Agreement not having been terminated in accordance with its terms on or before the Latest Time for Termination.

None of the above conditions precedent is capable of being waived by the Underwriter or the Company.

If the above conditions are not fulfilled by the respective date set out therein (or such other time and/or date(s) as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, announcements and confidentiality, indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for cost, damages, compensation or otherwise (save for any antecedent breaches), and the Rights Issue will not proceed.

As at the Latest Practicable Date, other than condition (iv) above, none of the conditions has been satisfied.

UNDERWRITING AGREEMENT

The principal terms of the Underwriting Agreement are as follows:

Date : 26 August 2019

Underwriter : Valuable Capital Limited

The Underwriter is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. As at the Latest Practicable Date, the Underwriter did not hold any Shares. Each of the Underwriter and its ultimate beneficial owners is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, an Independent Third Party.

LETTER FROM THE BOARD

The Underwriter confirmed that (1) it is an Independent Third Party, and not connected with the Company or its connected persons; and (2) it has complied with Rule 7.19(1)(a) of the Listing Rules that it is licensed under the SFO for Type 1 regulated activity and its ordinary business includes underwriting of securities.

Total number of Rights Shares being underwritten by the Underwriter : The Rights Shares other than the Committed Shares (being 1,324,815,000 Rights Shares).

The aggregate nominal value of the Underwritten Shares will be HK\$13,248,150.

The Rights Issue (other than the Committed Shares) will be fully underwritten by the Underwriter.

Commission and expenses : The Company shall pay to the Underwriter (i) an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the Underwritten Shares agreed to subscribe or procure subscription respectively by the Underwriter in accordance with the Underwriting Agreement; and (ii) if any, reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Rights Issue, subject to a cap of HK\$1,000,000.

The commission payable to the Underwriter were determined after arm's length negotiations between the Company and the Underwriter. The Directors consider that such amount is on normal commercial terms and is comparable with market rate.

The Board considers that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable as compared to the market practice and commercially reasonable as agreed between the parties to the Underwriting Agreement.

Under the Underwriting Agreement, if the conditions of the Rights Issue are fulfilled on or before the Latest Time for Termination (or such later time and/or date as the Company and the Underwriter may agree) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up (“**Untaken Shares**”), the Company shall as soon as practicable thereafter and in any event before 6:00 p.m. on the second Business Day after the Latest Time for Acceptance, notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Untaken Shares for the Underwriter to subscribe for or procure subscription for the Untaken Shares.

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares, among others:

- (1) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to be 29.9% or more of the then issued share capital of the Company;
- (2) the Underwriter shall procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriter), shall be Independent Third Party, not acting in concert with and not connected with any connected persons of the Company and their respective associates or close associates; and
- (3) the Underwriter shall ensure that none of the subscribers of the Untaken Shares (including the Underwriter) 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, shall not be holding 29.9% or more of the issued share capital of the Company immediately upon the allotment and issue of the Rights Shares.

Irrevocable undertakings given by Mr. Chu

As at the date of the Underwriting Agreement, Mr. Chu was the beneficial owner of 168,286,000 Shares, representing approximately 4.13% of the total issued share capital of the Company. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, Mr. Chu has irrevocably undertaken to the Company and the Underwriter that he:

- (a) will remain as the beneficial owner of 168,286,000 Shares at the close of business on the Record Date;
- (b) will not change his address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and
- (c) will apply for and pay for the Mr. Chu Committed Shares to which will be provisionally allotted pursuant to the Rights Issue, by lodging the duly completed and signed PAL in respect of all such Rights Shares with payment in full therefor with the Registrar, before the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents.

The Mr. Chu Undertaking had been delivered to the Company and the Underwriter on the date of the Underwriting Agreement.

LETTER FROM THE BOARD

Irrevocable undertakings given by Mr. Jiang

As at the date of the Underwriting Agreement, Mr. Jiang was the beneficial owner of 1,000,000 Shares, representing approximately 0.02% of the total issued share capital of the Company. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, Mr. Jiang has irrevocably undertaken to the Company and the Underwriter that he:

- (a) will remain as the beneficial owner of 1,000,000 Shares at the close of business on the Record Date;
- (b) will not change his address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and
- (c) will apply for and pay for the Mr. Jiang Committed Shares to which will be provisionally allotted pursuant to the Rights Issue, by lodging the duly completed and signed PAL in respect of all such Rights Shares with payment in full therefor with the Registrar, before the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents.

The Mr. Jiang Undertaking had been delivered to the Company and the Underwriter on the date of the Underwriting Agreement.

Irrevocable undertakings given by Ms. Xia

As at the date of the Underwriting Agreement, Ms. Xia was the beneficial owner of 1,112,000 Shares, representing approximately 0.03% of the total issued share capital of the Company. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, Ms. Xia has irrevocably undertaken to the Company and the Underwriter that she:

- (a) will remain as the beneficial owner of 1,112,000 Shares at the close of business on the Record Date;
- (b) will not change her address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and
- (c) will apply for and pay for the Ms. Xia Committed Shares to which will be provisionally allotted pursuant to the Rights Issue, by lodging the duly completed and signed PAL in respect of all such Rights Shares with payment in full therefor with the Registrar, before the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents.

The Ms. Xia Undertaking had been delivered to the Company and the Underwriter on the date of the Underwriting Agreement.

LETTER FROM THE BOARD

Irrevocable undertakings given by Power Heritage

As at the date of the Underwriting Agreement, Power Heritage was the beneficial owner of 1,258,838,000 Shares, representing approximately 30.86% of the total issued share capital of the Company. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, Power Heritage has irrevocably undertaken to the Company and the Underwriter that it:

- (a) will remain as the beneficial owner of 1,258,838,000 Shares at the close of business on the Record Date;
- (b) will not change its registered address in the register of members of the Company (unless such change is to change to an address in Hong Kong); and
- (c) will apply for and pay for the Power Heritage Committed Shares to which will be provisionally allotted pursuant to the Rights Issue, by lodging the duly completed and signed PAL in respect of all such Rights Shares with payment in full therefor with the Registrar, before the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents.

The Power Heritage Undertaking had been delivered to the Company and the Underwriter on the date of the Underwriting Agreement.

Save for Mr. Chu, Mr. Jiang, Ms. Xia and Power Heritage, as at the Latest Practicable Date, the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be offered to them under the Rights Issue.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed “Termination of the Underwriting Agreement” in this prospectus.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt with on an ex-rights basis from Thursday, 19 September 2019. Dealings in the Rights Shares in the nil-paid form are expected to take place from 9:00 a.m. on Wednesday, 2 October 2019 to 4:30 p.m. on Thursday, 10 October 2019 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter on or before 4:00 p.m. on Friday, 18 October 2019 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Any Shareholders or other persons dealing or contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the nil-paid Rights Shares from Wednesday, 2 October 2019 to Thursday, 10 October 2019 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing or contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table below sets out the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately after the completion of the Rights Issue.

Shareholders	Immediately after completion of the Rights Issue					
	As at the Latest Practicable Date and up to the Record Date		Assuming all Shareholders have taken up the Rights Shares		Assuming no Shareholder has taken up the Rights Share (other than the Committed Shares)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Power Heritage (Note 2)	1,258,838,000	30.86	1,888,257,000	30.86	1,888,257,000	30.86
Mr. Chu (Note 2)	168,286,000	4.13	252,429,000	4.13	252,429,000	4.13
Ms. Xia	1,112,000	0.03	1,668,000	0.03	1,668,000	0.03
Mr. Han Wei (Note 3)	1,000,000	0.02	1,500,000	0.02	1,000,000	0.02
Mr. Jiang	1,000,000	0.02	1,500,000	0.02	1,500,000	0.02
The Underwriter, sub-underwriter(s) and/or subscriber(s) procured by it (Note 4)					1,324,815,000	21.65
Other public Shareholders	<u>2,648,630,000</u>	<u>64.94</u>	<u>3,972,945,000</u>	<u>64.94</u>	<u>2,648,630,000</u>	<u>43.29</u>
	<u>4,078,866,000</u>	<u>100.00</u>	<u>6,118,299,000</u>	<u>100.00</u>	<u>6,118,299,000</u>	<u>100.00</u>

Notes:

- Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- 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 168,286,000 Shares beneficially held by Mr. Chu, Mr. Chu is also considered to be interested in 1,258,838,000 Shares held by Power Heritage.
- Mr. Han Wei is the spouse of Ms. Xia.

LETTER FROM THE BOARD

4. Pursuant to the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscription of the Untaken Shares, among other things,
 - (i) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholder of it and parties acting in concert with it to be 29.9% or more of the then issued share capital of the Company;
 - (ii) the Underwriter shall ensure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriter) shall be Independent Third Party, not acting in concert with and not connected with any connected persons of the Company and their respective associates or close associates; and
 - (iii) the Underwriter shall ensure that none of the subscribers of the Untaken Shares (including the Underwriter) 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, shall not be holding 29.9% or more of the issued share capital of the Company upon the allotment and issue of the Rights Shares.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is to act as an investment holding company. Its subsidiaries are engaged in the manufacture of and trading in wires and cables.

The estimated gross proceeds of the Rights Issue will be approximately HK\$571.0 million. The estimated net proceeds from the Rights Issue will be approximately HK\$555.0 million, which are currently intended to be used as to (i) approximately HK\$218.2 million for expansion of the Group's production facilities for mid-rated voltage power cables; (ii) approximately HK\$37.9million for upgrade and development of the Group's production facilities for flexible fire-proof cables; (iii) approximately HK\$46.9 million for upgrade and expansion of the Group's existing production facilities and management systems; (iv) approximately HK\$120.0 million for repayment of borrowings of the Group; (v) approximately HK\$110.0million for potential investment or acquisitions of the Group; and (vi) approximately HK\$22.0 million for general working capital of the Group.

The estimated expenses in relation to the Rights Issue, including the underwriting commission, financial, legal and other professional expenses, of approximately HK\$16.0 million, will be borne by the Company.

LETTER FROM THE BOARD

The Directors consider that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. The Board considers that the fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

On behalf of the Board
Jiangnan Group Limited
Chu Hui
Chairman

1. FINANCIAL INFORMATION OF THE COMPANY

The audited consolidated financial statements of the Group for the years ended 31 December 2016, 31 December 2017 and 31 December 2018, including the notes thereto, have been published in the annual reports of the Company for the years ended 31 December 2016 (pages 67 to 123), 31 December 2017 (pages 72 to 127) and 31 December 2018 (pages 75 to 137), which are incorporated by reference into this prospectus. The said annual reports of the Company are available on the Company's website at www.jiangnangroup.com and the website of the Stock Exchange at www.hkexnews.hk.

2. STATEMENT OF INDEBTEDNESS

Indebtedness

As at the close of business on 31 July 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group had the following outstanding indebtedness:

	<i>RMB'000</i>
Bank borrowings	
Secured and unguaranteed	449,068
Secured and guaranteed	362,000
Unsecured and guaranteed	<u>2,614,850</u>
	<u>3,425,918</u>
Amounts due to directors — unsecured and unguaranteed	<u>4,867</u>
Lease liabilities — secured by rental deposits and unguaranteed	<u>746</u>

The Group's secured bank borrowings were secured by land and buildings, bills receivables and pledged bank deposits of the Group and the Group's guaranteed bank borrowings were guaranteed by third parties and fellow subsidiaries of the Group.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 July 2019, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

For the purpose of the statement of indebtedness, foreign currency amounts have been translated into RMB at the rates of exchange prevailing at the close of business on 31 July 2019.

3. WORKING CAPITAL

The Directors, after due and careful consideration and taking into account of the financial resources of the Group and the available facilities, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next twelve months following the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

Save as those disclosed in the Company's interim period for the six months ended 30 June 2019, as at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS

In 2019, both the domestic and the global economies have become highly unstable under the impacts of the diplomatic policies and crises of various countries, in particular the trade disputes between the PRC and the United States. Although the Group has operated primarily in the Chinese market and has reaped the benefits from China's "One Belt, One Road" initiative, the "Yangtze River Economic Zone" development plan, the "Guangdong-Hong Kong-Macau Greater Bay Area" plan and the "Free Trade Zone" establishments in various provinces in the PRC, the overall development of the Group has been affected considerably by the slowdown in the economic growth of the PRC. However, with further developments in the construction of urban underground utility tunnels, sponge cities and smart cities, upgrades of power distribution networks, enhanced controls over pollution and smog, and the rise of low-carbon, energy-saving and environmental protection awareness in the PRC, the Group remains confident in the prospects of the wire and cable business in China.

Based on the analysis of the macroeconomic situation in 2019 and China's national policies, the Group has set the direction of its operations in 2019. In 2019, the Group will continue to intensify its development in "intelligent" and "green" manufacturing by increasing its investments in intelligent hardware and software and transforming its existing hardware and software towards intelligence, and build "smart workshops" with an aim to gradually establish a "smart factory". The Group will also continue to boost its research and development efforts in relation to new products and accelerate the transformation of these new products to production. In terms of products, the Group will focus on the development of cables with special characteristics, such as energy-saving and environmentally-friendly wires, extra-high voltage cables and power cables for nuclear plants. In terms of markets, the Group will strive to satisfy the personalised customisation needs of its customers, improve the quality of its products steadily with an aim to enlarge the Group's market share, continue to penetrate into the domestic and international markets, strengthen its strategic cooperation relationships with the State Grid Corporation of China, the China Southern Grid and the five major power generation corporations in the PRC, actively participate in the construction of landmark projects of the PRC government and high-quality listed companies, and focus on the developments in the rail transit, new energy and military sectors in the PRC. All-in-all, the Group will strive to improve the efficiency and quality of its development.

While the performance of its sales in the first half of 2019 was impressive, the Group is clearly aware of certain problems in its operation:

1. In light of the increasing uncertainties in macroeconomic development in the PRC and abroad, the Group will persist to work diligently on high-end wire and cable products, and materials and processes, focus on the breakthrough of key technologies, strengthen the protection of intellectual property rights, accelerate the transformation and upgrade of the Group with an aim to building a premium and quality brand image as well as improving its competitiveness in the international market.
2. As of 30 June 2019, the Group's outstanding trade receivables due from external parties remained at high level. Although the Group's business growth was mainly driven by the increase in its sales, the profit of the Group has decreased to a certain extent due to its failure to recover outstanding trade receivables in a timely manner. Aiming at accelerating its capital recovery and reducing its operational risks, the Group always puts the prevention and control of operational risks as its first priority during its operations, strengthens its internal control in various aspects, such as sales, production and finance, and consolidates its management base.
3. Taking into consideration that the net cash used by the Group in its operating activities in the first half of 2019 was quite substantial and it is expected that there will be an increase in the Group's future capital expenditures, the Group shall further consider and explore financing options to provide sufficient resources for its future development.

Notes:

1. The unaudited consolidated net tangible assets of the Group as at 30 June 2019 is calculated based on the consolidated net assets of the Group of approximately RMB5,544,012,000 as at 30 June 2019 after deducting goodwill of approximately RMB54,775,000 as extracted from the interim report of the Company for the six months ended 30 June 2019.
2. The estimated net proceeds from the Rights Issue of approximately RMB486,880,000 is calculated based on 2,039,433,000 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 4,078,866,000 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$0.28 per Rights Share and after deduction of estimated related expenses of approximately HK\$15,999,000 (equivalent to approximately RMB14,034,000). For the purpose of the Unaudited Pro Forma Financial Information, translations of HK\$ into RMB or vice versa have been calculated by using an exchange rate of HK\$1.14 equal to RMB1.00. No representation is made that HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at the applied rate or at any other rates, or at all.
3. The number of Shares used for the calculation of the unaudited consolidated net tangible assets of the Group as at 30 June 2019 per Share is based on 4,078,866,000 Shares of the Company in issue as at 30 June 2019.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2019 immediately after completion of the Rights Issue per Share is calculated based on 6,118,299,000 Shares which comprise 4,078,866,000 Shares in issue as at 30 June 2019 and 2,039,433,000 Rights Shares assumed to be issued on completion of the Rights Issue.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2019.
6. For the purpose of unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2019 immediately after completion of the Rights Issue per Share, the amount stated in RMB is converted into HK\$ at the rate of HK\$1.14 to RMB1.00. No representation is made that RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at any other rate, or at all.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Jiangnan Group Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiangnan Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 June 2019 and related notes as set out on pages II-1 to II-2 of Appendix II to this prospectus issued by the Company dated 27 September 2019 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two shares of the Company (the "Rights Issue") on the Group's financial position as at 30 June 2019 as if the Rights Issue had taken place at 30 June 2019. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2019, on which no review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 27 September 2019

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information regarding the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

(I) The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were/will be as follows:

(a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>100,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>	<i>HK\$</i>
<u>4,078,866,000</u> Shares	<u>40,788,660</u>

(b) Immediately following completion of the Rights Issue

<i>Authorised:</i>	<i>HK\$</i>
<u>10,000,000,000</u> Shares	<u>100,000,000</u>
<i>Issued and fully paid or credited as fully paid:</i>	<i>HK\$</i>
4,078,866,000 Shares in issue as at the Record Date	40,788,660
<u>2,039,433,000</u> Rights Shares to be allotted and issued under the Rights Issue	<u>20,394,330</u>
<u>6,118,299,000</u> Shares in issue upon completion of the Rights Issue	<u>61,182,990</u>

All the Shares in issue rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company does not have any pre-existing obligation to issue Shares or any outstanding warrants, share options, derivatives or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends were waived or agreed to be waived.

3. DISCLOSURE OF INTEREST

(i) Directors' interests and short position in the securities of the Company and its associated corporations

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director/ chief executive of the Company	Nature of interest	Number of Shares	Approximate percentage of total issued share capital of the Company (Note 3)
Mr. Chu	Interest of controlled corporations (Note 1)	1,888,257,000	30.86%
	Beneficial owner	252,429,000	4.13%
Ms. Xia	Beneficial owner	1,668,000	0.03%
	Interest of spouse (Note 2)	1,000,000	0.02%
Mr. Jiang	Beneficial owner	1,500,000	0.02%

Notes:

1. These Shares were held by Power Heritage, which was wholly owned by Spectrum Investment (HK) Limited, a wholly-owned subsidiary of 無錫光普投資有限公司, which was wholly owned by Mr. Chu. Mr. Chu was deemed to be interested in the Shares held by Power Heritage under the SFO.
2. These Shares were held by the spouse of Ms. Xia, Mr. Han Wei. Ms. Xia was deemed to be interested in the Shares held by her spouse under the SFO.
3. The percentage holding in the Company is calculated based on the enlarged total issued Shares upon the completion of the Rights Issue, i.e. 6,118,299,000 Shares.

Interest in shares of the Company's associated corporation

Name of Director/ chief executive of the Company	Name of associated corporation	Capacity	Total number of shares	Approximate percentage of interest
Mr. Chu	Power Heritage	Beneficial owner	100	100%

- (b) Save as disclosed in this prospectus, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

- (a) As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons, other than a director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly, interested in 10% or more of the issued voting shares of any member of the Group:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of interest (Note 3)
Power Heritage	Beneficial owner (Note 1)	1,888,257,000	30.86%
Rui Yiyun	Interest of spouse (Note 2)	2,140,686,000	34.99%

Notes:

- These Shares were held by Power Heritage, which was wholly owned by Spectrum Investment (HK) Limited, a wholly-owned subsidiary of 無錫光普投資有限公司, which was wholly owned by Mr. Chu Hui. Mr. Chu Hui was deemed to be interested in the Shares held by Power Heritage under the SFO.
- These Shares comprised (i) 4,078,866,000 Shares beneficially owned by Power Heritage, which was wholly owned by Spectrum Investment (HK) Limited, a wholly-owned subsidiary of 無錫光普投資有限公司, which was wholly owned by Mr. Chu; and (ii) 168,286,000 Shares beneficially owned by Mr. Chu. Ms. Rui Yiyun, the spouse of Mr. Chu, was deemed to be interested in the Shares held by Power Heritage and Mr. Chu under the SFO.
- The percentage shareholding in the Company is calculated based on the enlarged issued Shares upon the completion of the Rights Issue, i.e. 6,118,299,000 Shares.

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Group which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

5. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group, nor had any Director had any direct or indirect interests in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACT

During the two years immediately preceding the date of this prospectus, the following contract (not being contract entered into in the ordinary course of business of the Company) has been entered into by the Group and is or may be material:

- (1) the Underwriting Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice which are contained in this prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants, Hong Kong

Deloitte Touche Tohmatsu has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its letter and report and reference to its names, as the case may be, in the form and context in which it appears.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect shareholding interest in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. DIRECTORS

Particulars of the Directors

Name	Business Address
<i>Executive Director</i>	
Mr. Chu Hui	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong
Ms. Xia Yafang	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong
Mr. Jiang Yongwei	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong

Independent non-executive Director

Mr. He Zhisong	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong
Mr. Yang Rongkai	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong
Mr. Kan Man Yui Kenneth	Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong

Biographies of the Directors and Senior Management

Executive Directors

Mr. Chu Hui, aged 47, was appointed as the chief executive officer of the Company on 7 July 2014, an executive Director on 18 July 2013 and the chairman of the Company on 30 May 2016. He has also been the chairman of the Corporate Governance Committee of the Board since 30 May 2016. He has over 22 years of experience in the wire and cable industry in the PRC. From May 2005 to December 2014, he was the chairman, an executive director and a general manager of Jiangsu Zhongmei Cable Group Co., Ltd. (江蘇中煤電纜有限公司) (“**Zhongmei Cable**”), which is now a wholly-owned subsidiary of the Company, and has been responsible for the overall management of production, operation, sales and administration matters in Zhongmei Cable. Mr. Chu has been a director of Extra Fame Group Limited, Jiangnan Cable (HK) Limited and Wuxi Jiangnan Cable Co., Ltd. (無錫江南電纜有限公司) (“**Wuxi Jiangnan Cable**”), all being wholly-owned subsidiaries of the Company, since July 2014. Mr. Chu has been a director of Jiangnan Power Assets Limited and Jiangnan Power Assets (HK) Limited, both being wholly-owned subsidiaries of the Company, since September 2015. From June 2003 to November 2004, he was the executive director and general manager of Wuxi Zhongnan

Mining Cable Co. Ltd. (無錫中南礦纜有限公司). From November 2001 to May 2003, he was the deputy general manager of Wuxi Jiangnan Wire and Cable Co., Ltd (無錫市江南線纜有限公司) (“**Wuxi Jiangnan Wire**”). From November 1997 to October 2001, he was the factory director of Shanghai Asahi Cable Factory (上海滬旭電纜廠). From December 1994 to October 1997, he was engaged in the sales and marketing of wires and cables.

Mr. Chu became the chairman of the 1st council of Yixing Hi-tech Enterprise Association (宜興市高新技術企業協會) in January 2019. He had also been the vice-chairman of the 2nd Governing Council of the Jiangsu Province Coal Mining Machinery Industry Association, and a general committee member (常務理事) of Yixing City Charity Association (宜興市慈善會).

Mr. Chu has obtained several awards, including Outstanding Entrepreneur (優秀企業家) awarded by the people’s government of Yixing in 2012, Outstanding Entrepreneur in Coal Mining Machinery Industry (江蘇省煤礦機械工業優秀企業家) awarded by the Coal Mining Machinery Industry of Jiangsu Province (江蘇省煤礦機械工業協會) in 2006, one of the Top Ten Young Entrepreneurs in Wuxi City (無錫市十佳青年企業家) jointly awarded by a number of entities (including Wuxi Municipal Party Committee Organisation Department (中共無錫市委組織部), Wuxi City Economic and Trade Commission (無錫市經濟貿易委員會) and Wuxi City Industry and Commercial Federation (無錫市工商業聯合會)) in 2008, one of the 17th Top Ten Outstanding Young Persons in Wuxi City (第十七屆無錫市十大傑出青年) jointly awarded by a number of entities (including Wuxi Municipal Party Committee Organisation Department (中共無錫市委組織部), Wuxi City Personnel Department (無錫市人事局) and Wuxi City Youth Federation (無錫市青年聯合會)) in 2009 and Outstanding Young Person of Yixing City (宜興市優秀青年) jointly awarded by a number of entities (including Yixing Municipal Party Committee Organisation Department (中共宜興市委組織部), Yixing City Personnel Department (宜興市人事局) and Yixing City Youth Federation (宜興市青年聯合會)) in 2006. Mr. Chu currently serves as a member of the Chinese People’s Political Consultative Conference of Yixing City. Mr. Chu was also involved in a number of charitable activities and was granted the award of Charity Star of Yixing City (慈善明星) by the Yixing City Party Committee Council (中共宜興市委員會) and the people’s government of Yixing in 2007.

Mr. Chu studied in the Southeast University (東南大學) and obtained his master of business administration in 2004. Mr. Chu was qualified as a senior economist (高級經濟師) in 2005 by the Jiangsu Province Personnel Department.

As at the Latest Practicable Date, Mr. Chu was the sole director of each of (i) 無錫光普投資有限公司, which is wholly-owned by Mr. Chu and which wholly-owns Spectrum Investment (HK) Limited (“**Spectrum HK**”); (ii) Spectrum HK, which wholly-owns Power Heritage; and (iii) Power Heritage. Each of 無錫光普投資有限公司, Spectrum HK and Power Heritage is a shareholder of the Company which has an interest in the shares of the Company that would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

The spouse of Mr. Chu is a cousin of the spouse of Mr. Jiang Yongwei (an executive Director).

Ms. Xia Yafang, aged 47, was appointed as a Director on 26 January 2011, the executive vice president of the Company on 25 February 2012 and an executive Director on 20 April 2012. She is also a director of a number of companies in the Group. She joined the Group in 2004. Ms. Xia is in charge of the Group’s overall day to day operations. She was appointed as the chief engineer of Wuxi Jiangnan Cable in August 2011. Ms. Xia has over 23 years of experience in the wire and cable industry in the PRC. From April 2001 to January 2004, she was a director of the technology department and the vice general manager of Wuxi Jiangnan Wire. From March 1996 to March 2001, Ms. Xia was the engineer for cable research technology and the director of crosslinked cable factory of Wuxi Far East Cable Factory. During this tenure, Ms. Xia was in charge of the production and daily operations of the factory. From July 1992 to February 1996, Ms. Xia worked at Wuxi City Jiangnan Cable Factory as a technician. Ms. Xia graduated from the Nanjing Jinling Institute of Technology (formerly known as Nanjing Polytechnic University) with an associate degree in mechanical and electrical engineering in July 1992. Ms. Xia was qualified as a senior economist in November 2005 and a senior engineer in September 2007, both by the Jiangsu Province Personnel Department.

Mr. Jiang Yongwei, aged 53, was appointed as a vice president of the Company and a Director on 25 February 2012 and an executive Director on 20 April 2012. He is also a member of the Corporate Governance Committee of the Board and a director of a number of companies in the Group. Mr. Jiang joined the Group in February 2004. He is the head of the production department responsible for the Group’s production management. He has over 24 years of experience in the wire and cable industry in the PRC. Mr. Jiang has been a director of Wuxi Jiangnan Cable since February 2004. Mr. Jiang served as the vice general manager of Wuxi Jiangnan Wire from August 1997 to February 2004 and was responsible for its overall production. From January 1990 to July 1997, Mr. Jiang was a director of the infrastructure department of Wuxi Jiangnan Wire. Mr. Jiang graduated from the Southeast University with a master’s degree in business administration in July 2004. Mr. Jiang was qualified as a senior economist in November 2005 by the Jiangsu Province Personnel Department. The spouse of Mr. Jiang is a cousin of the spouse of Mr. Chu, the chairman of the Company, an executive Director and the chief executive officer of the Company.

Independent non-executive Directors

Mr. He Zhisong (“**Mr. He**”), aged 49, was appointed as a Director on 25 February 2012 and an independent non-executive Director on 1 March 2012. He is also the chairman of each of the Remuneration Committee and the Nomination Committee of the Board and a member of the Audit Committee of the Board. Mr. He is a partner of Zhong Lun Law Firm. From July 1996 to February 2002, he worked for the Justice Bureau of Zhuhai, Guangdong. From November 1994 to July 1996, he was a partner of Zhuhai Sanlian Law Firm. From July 1992 to November 1994, Mr. He worked in the government of the Jinwan (formerly known as Sanzao) district of Zhuhai. Mr. He obtained a bachelor’s degree and a master’s degree in law from the Southwest University of Political Science and Law and the Renmin University of China in July 1992 and July 1999, respectively.

Mr. Yang Rongkai (“**Mr. Yang**”), aged 59, was appointed as a Director on 25 February 2012 and an independent nonexecutive Director on 1 March 2012. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Mr. Yang has served as the head of the Electric Equipment Inspection and Test Centre Cable Quality Inspection Station of State Grid Electric Science Research Institute (formerly known as Wuhan High Voltage Research Institute, which was then renamed as State Grid Wuhan High Voltage Research Institute in 2007 and was subsequently merged with State Grid Nanjing Automation Research Institute and named as State Grid Electric Science Research Institute in 2008 (hereinafter called “**Electric Science Research Institute**”)) since July 2008. Mr. Yang has been a member of the Preparatory Team of the Cable Group of the State Grid Electric Power Research Institute since April 2011. Since 2013, he has been the deputy director of the Research and Development Centre of Intelligent Electrical Equipment Division. He was the deputy chief of the Cable Technology Research Institute and the deputy head of the Cable Quality Inspection Station of Electric Science Research Institute from January 2007 to July 2008. From December 2005 to December 2006, he was the chief engineer of Cable Technology Research Centre and the deputy head of the Cable Quality Inspection Station of Electric Science Research Institute. From October 1985 to December 2006, Mr. Yang held various positions in Electric Science Research Institute, including engineer, senior engineer, and the deputy chief of the Cable Quality Inspection Station. He was appointed as the deputy secretary general at the Electricity Industry Electricity and Cable Standardisation Technology Committee in June 2001. Mr. Yang graduated from the China Electric Power Research Institute with a master’s degree in engineering in December 1985. Mr. Yang was qualified as a senior engineer by the Department of Electric Power of Electric Science Research Institute in December 1992.

Mr. Kan Man Yui Kenneth, aged 54, was appointed as an independent non-executive Director on 10 June 2019. He is also the chairman of the Audit Committee of the Board and a member of each of the Nomination Committee and the Remuneration Committee of the Board. Mr. Kan has over 20 years of experience in the area of accounting and auditing for both listed and private companies in Hong Kong and the People’s Republic of China. Mr. Kan was the head of the audit and investigation department of Agile Group Holdings Limited (formerly known as Agile Property Holdings Limited) (stock code:

3383), a company listed on the Main Board of the Stock Exchange, from June 2007 to January 2015. Mr. Kan had also served in the audit and compliance areas for companies, including American International Group, Inc., Kowloon-Canton Railway Corporation, Hong Kong Trade Development Council and Standard Chartered Securities Limited. Mr. Kan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Kan obtained his Honours Diploma in Business Management from the Hong Kong Baptist University (formerly known as the Hong Kong Baptist College) in December 1989, a bachelor's degree in finance from the Hong Kong Baptist University in January 1992 and a master's degree in business administration from the Heriot-Watt University in July 1998.

10. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business	Unit 09, 23rd Floor Metropole Square 2 On Yiu Street Shatin, New Territories Hong Kong
Auditors	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35/F One Pacific Place 88 Queensway Hong Kong
Principal share registrar and transfer office	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111, Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 54 Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Ms. Xia Yafang Mr. Chan Man Kiu

Company secretary	Mr. Chan Man Kiu <i>CPA, FCCA</i>
Underwriter	Valuable Capital Limited Room 2808, 28th Floor China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong
Legal adviser to the Company in relation to the Rights Issue	<i>As to Hong Kong law</i> LCH Lawyers LLP Room 702, 7th Floor Admiralty Centre Tower One 18 Harcourt Road Admiralty, Hong Kong
Principal bankers	Bank of China (Hong Kong) Limited BNP Paribas, Hong Kong Branch Bank of China, Yixing Guanlin Branch Bank of Communications, Yixing Branch Bank of Jiangsu, Yixing Chengdong Sub-branch Nanyang Commercial Bank, Wuxi Branch

11. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:30 p.m. on any Business Day at the principal place of business of the Company in Hong Kong at Unit 09, 23rd Floor, Metropole Square, 2 On Yiu Street, Shatin, New Territories, Hong Kong from the date of this prospectus up to and including the date which is 14 days from the date of this prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2017 and 31 December 2018;
- (c) the report on the unaudited pro forma financial information on the Group as set out in Appendix II of this prospectus;
- (d) the material contract referred to in the paragraph headed “Material Contract” of this Appendix III;
- (e) the written consent from Deloitte Touche Tohmatsu referred to in the section headed “Expert and Consent” of this Appendix III; and
- (f) the Prospectus Documents.