



19 September 2012

**High Concentration of Shareholding
in
Jiangnan Group Limited (Stock Code: 1366)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Jiangnan Group Limited (“the Company”) in the hands of a limited number of shareholders as at 10 September 2012.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 10 September 2012, 11 shareholders held an aggregate of 298,772,000 Shares, representing 19.42% of the issued Shares. Such shareholding, together with 1,212,300,000 Shares (representing 78.79% of the issued Shares) held aggregately by 2 substantial shareholders of the Company, represented 98.21% of the issued Shares as at 10 September 2012. Therefore only 27,528,000 Shares (representing 1.79% of the issued Shares) were held by other shareholders.

As at 10 September 2012, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Power Heritage Group Limited (Note 1)	1,103,400,000	71.71
Chen Weiping	108,900,000	7.08
A group of 11 shareholders (Note 2)	298,772,000	19.42
Other shareholders	<u>27,528,000</u>	<u>1.79</u>
Total	<u>1,538,600,000</u>	<u>100.00</u>

Note 1: Power Heritage Group Limited is owned as to 83% by Mr. Rui Fubin (Chairman and Executive Director of the Company) and 17% by Mr. Rui Yiping (Executive Director of the Company).

Note 2: 4 of the 11 shareholders held 163,036,000 Shares (representing 10.6% of the issued Shares). They initially obtained 169,000,000 Shares through the international placing under the global offering of the Company in April 2012.

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 20 April 2012 by way of global offering of 384,800,000 Shares, representing 25.01% of the issued Shares, at \$1.42 per share. The share price closed at \$1.42 on its first day of listing.



Since August 2012, the share price of the Company increased significantly from the closing price of \$1.49 on 31 July 2012 to \$2.37 on 10 September 2012, after reaching a high of \$2.80 on 6 September 2012. The Company's shares closed at \$2.20 on 18 September 2012, representing an increase of 54.9% over the offer price of \$1.42 under the global offering.

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