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If you have sold or transferred all your shares in **Guocang Group Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchasers or transferees or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchasers or the transferees.

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GUOCANG GROUP LIMITED

國藏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

**REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

VINC 

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A letter from the Board is set out on pages 4 to 9 of this circular. A letter from Independent Board Committee is set out on page 10 of this circular. A letter from Vinco Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 19 of this circular.

A notice convening the SGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 16 April 2015 at 11:00 a.m. is set out on pages 20 to 22 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or at any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjournment thereof (as the case may be) should you so wish.

26 March 2015

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DEFINITIONS

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

“Acquisition Agreement”	the agreement dated 4 February 2015 entered into among the Company, Mr. Yam Tak Cheung and Mr. He Yumin in relation to the sale and purchase of the entire issued share capital of Green Flourish Enterprises Limited and all the liabilities, loans or obligations owing by Green Flourish Enterprises Limited and its subsidiaries to Mr. Yam Tak Cheung as at completion and the principal terms of the Service Contract, details of which are set out in the announcement of the Company dated 4 February 2015
“AGM”	the annual general meeting of the Company held on 2 December 2014 in which the Shareholders had approved, among other matters, the Existing General Mandate
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the existing bye-laws of the Company as amended from time to time
“Company”	Guocang Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 559)
“Convertible Preference Shares”	1,238,095,238 unlisted convertible preference shares of a notional value of HK\$0.21 each in the share capital of the Company
“Director(s)”	director(s) of the Company
“Existing General Mandate”	the general mandate approved at the AGM authorising the Directors to allot and issue Shares of up to 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, to advise the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Financial Adviser” or “Vinc Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinc Financial Group Limited (Stock Code: 8340), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholders and their associates or, if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	24 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the SGM
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate
“Service Contract”	the service contract to be entered into between a wholly foreign-owned enterprise to be established and Mr. He Yumin at completion of the Acquisition Agreement pursuant to the terms of the Acquisition Agreement, details of which are set out in the announcement of the Company dated 4 February 2015
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong as amended from time to time

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held on Thursday, 16 April 2015 at 11:00 a.m. to consider and, if thought fit, to approve the Refreshment of General Mandate
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Options”	1,016,500,000 outstanding share options issued under the share option schemes adopted by the Company on 4 December 2003 and 13 December 2013 respectively
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



GUOCANG GROUP LIMITED

國藏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

Executive Directors:

Mr. Wong Hin Shek (*Chairman*)

Mr. Chi Chi Hung, Kenneth (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Chiu Wai On

Mr. Man Kwok Leung

Dr. Wong Yun Kuen

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

Suite 3908, 39/F.

Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

26 March 2015

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the Refreshment of General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Refreshment of General Mandate; (iii) the recommendation from Vinco Capital to the Independent Board Committee and the Independent Shareholders on the Refreshment of General Mandate; and (iv) the notice of SGM, at which an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate.

LETTER FROM THE BOARD

EXISTING GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot and issue not more than 718,882,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,413,900 Shares as at the date of passing of the relevant resolution.

As announced in the announcement of the Company dated 4 February 2015, up to 718,000,000 Shares may be allotted and issued under the Existing General Mandate under the Acquisition Agreement and the Service Contract. The Existing General Mandate has been utilized as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Existing General Mandate since the AGM and save for the 1,238,095,238 Convertible Preference Shares and the 1,016,500,000 Share Options, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Company will convene the SGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the SGM.

As at the Latest Practicable Date, the Company had an aggregate of 3,594,613,900 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to allot and issue up to 718,922,780 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The New General Mandate will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

REASONS FOR THE REFRESHMENT OF GENERAL MANDATE

The Group is principally engaged in the businesses of trading and distribution of liquor and wine, investments in listed securities and provision of money lending services.

As explained in the paragraph headed “Existing General Mandate” above, the Existing General Mandate had been utilized as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

LETTER FROM THE BOARD

The Board believes that the Refreshment of General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development. The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

As at the Latest Practicable Date, the Company had no plan to utilise the New General Mandate. Nevertheless, the Board is now proposing to seek the approval of Independent Shareholders at the SGM for the Refreshment of General Mandate such that, should attractive terms for investment in the Shares become available from potential investors or investment opportunities arise, the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate provides the Company with a more simple and less lead time process than other types of fund raising exercises as well as to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner. The Directors consider that funding requirements or appropriate investment opportunities may or may not arise at any time prior to the next annual general meeting. If such opportunities arise prior to the next annual general meeting, decisions may have to be made within a limited period of time.

The Company would exercise due and careful consideration when choosing the financing method available to the Group. The Refreshment of General Mandate is proposed to the Shareholders prior to the Company's next annual general meeting and therefore, under Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate is subject to the Independent Shareholders' approval at the SGM.

EQUITY FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

As announced in the announcement of the Company dated 12 December 2014, the Company as issuer and Mr. Choi Chiu Fai Stanley and Solar Power, Inc. as subscribers entered into a memorandum of understanding on 12 December 2014, pursuant to which the Company has agreed to allot and issue, at the subscription price of approximately HK\$0.03135 per Share, an aggregate of 38,277,511,960 Shares to Mr. Choi Chiu Fai Stanley and Solar Power, Inc. The total subscription price of such possible subscription would be HK\$1,200 million. The net proceeds of such possible subscription will be applied for the development of the solar energy business which the Board considers to be of high growth potential. Such memorandum of understanding expired on 12 March 2015.

As announced in the announcement of the Company dated 7 October 2014, the Company as issuer and Evergrande Real Estate Group Limited and Solar Power, Inc. as subscribers entered into a memorandum of understanding on 7 October 2014 pursuant to which the Company has agreed to allot and issue, at the subscription price of approximately HK\$0.03135 per Share: (i) 30,813,397,130 Shares to Evergrande Real Estate Group Limited; and (ii) 7,464,114,830 Shares to Solar Power, Inc. Such memorandum of understanding expired on 6 December 2014.

Save as disclosed above, the Company had not conducted any equity fund raising activity in the past twelve months prior to the Latest Practicable Date.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) for illustrative purposes, immediately after the allotment and issue of 718,000,000 Shares under the Existing General Mandate pursuant to the terms of the Acquisition Agreement and the Service Contract assuming that no other new Shares will be allotted and issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the allotment and issue of 718,000,000 Shares under the Existing General Mandate; and (iii) for illustrative purposes, immediately after full utilisation of the New General Mandate assuming that save for the 718,000,000 Shares allotted and issued under the Existing General Mandate, no other new Shares will be allotted and issued and/or repurchased by the Company from the Latest Practicable Date up to the date of full utilisation of the New General Mandate:

Shareholders	As at the		Immediately after		Immediately after	
	Latest Practicable Date		the allotment and issue of		the allotment and issue of	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Intense Rise Holdings Limited (<i>Note 1</i>)	870,007,125	24.20	870,007,125	20.17	870,007,125	17.29
Mr. Choy Shiu Tim	180,000,000	5.01	180,000,000	4.17	180,000,000	3.58
Wise Profit Group Limited (<i>Note 2</i>)	418,210,000	11.64	418,210,000	9.70	418,210,000	8.31
Mr. Wong Yat Fai	2,640,000	0.07	2,640,000	0.06	2,640,000	0.05
Mr. Yam Tak Cheung	—	—	538,270,000	12.48	538,270,000	10.70
Mr. He Yumin	—	—	179,730,000	4.17	179,730,000	3.57
Other public Shareholders	2,123,756,775	59.08	2,123,756,775	49.25	2,123,756,775	42.21
New Shares issued under the New General Mandate	—	—	—	—	718,922,780	14.29
Total	<u>3,594,613,900</u>	<u>100.00</u>	<u>4,312,613,900</u>	<u>100.00</u>	<u>5,031,536,680</u>	<u>100.00</u>

Notes:

- Intense Rise Holdings Limited is wholly-owned by Mr. Choy Shiu Tim.
- Wise Profit Group Limited is wholly-owned by Mr. Wong Yat Fai.

LETTER FROM THE BOARD

GENERAL

Pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of General Mandate will be subject to the Independent Shareholders' approval by way of passing an ordinary resolution at the SGM at which any of the controlling Shareholders and their respective associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive and all their respective associates shall abstain from voting in favour of the resolution approving the Refreshment of General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, having made all reasonable enquiries, the Company did not have any controlling Shareholder and Mr. Chi Chi Hung, Kenneth, being the executive Director and chief executive officer of the Company, held 23,000,000 Shares, representing approximately 0.64% of the total issued share capital of the Company. Therefore, Mr. Chi Chi Hung, Kenneth shall abstain from voting in favour of the ordinary resolution approving the Refreshment of General Mandate.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the Refreshment of General Mandate.

Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

SGM

A notice convening the SGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 16 April 2015 at 11:00 a.m. is set out on pages 20 to 22 of this circular for the purpose of considering and, if thought fit, passing the resolution approving the Refreshment of General Mandate.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM, or at any adjournment thereof (as the case may be) if you so wish.

The vote of the Independent Shareholders in respect of the Refreshment of General Mandate at the SGM will be taken by way of poll.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to the letter from Vinco Capital set out on pages 11 to 19 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate and the letter from the Independent Board Committee set out on page 10 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate.

The Independent Board Committee, having taken into account the advice of Vinco Capital, considers that the Refreshment of General Mandate are in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the SGM for approving the Refreshment of General Mandate.

Having considered the reasons set out herein, the Board is of the view that the Refreshment of General Mandate is fair and reasonable, and is in the interests of the Company and the Shareholders as a whole. The Board hereby recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

RESPONSIBILITY STATEMENT

This circular, 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 with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

By order of the Board
Guocang Group Limited
Wong Hin Shek
Chairman and executive Director



GUOCANG GROUP LIMITED

國藏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

26 March 2015

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 26 March 2015 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and whether the terms of the Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Vinco Capital has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal factors and reasons considered by, and the advice of Vinco Capital as set out in its letter of advice to us on pages 11 to 19 of the Circular, we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Yours faithfully,
Independent Board Committee

Chiu Wai On

Man Kwok Leung

Wong Yun Kuen

Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited
Units 4909–4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

26 March 2015

*To the Independent Board Committee and the Independent Shareholders
of Guocang Group Limited*

Dear Sirs and Madams,

REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Refreshment of General Mandate, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the circular issued by the Company to the Shareholders dated 26 March 2015 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot and issue not more than 718,882,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,413,900 Shares as at the date of passing of the relevant resolution.

As announced in the announcement of the Company dated 4 February 2015, up to 718,000,000 Shares may be allotted and issued under the Existing General Mandate under the Acquisition Agreement and the Service Contract. The Existing General Mandate has been utilized as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Existing General Mandate since the AGM and save for the 1,238,095,238 Convertible Preference Shares and the 1,016,500,000 Share Options, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

LETTER FROM VINCO CAPITAL

The Company will convene the SGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the SGM.

Under Rule 13.36(4) of Listing Rules, the Refreshment of General Mandate will be subject to the Independent Shareholders' approval by way of passing an ordinary resolution at the SGM, at which any of controlling Shareholders and their respective associates, or where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company as well as all their respective associates shall be abstained from voting in favour of the resolution approving the Refreshment of General Mandate. As at the Latest Practicable Date, having made all reasonable enquiries, there is no controlling shareholder. Mr. Chi Chi Hung, Kenneth, being the executive Director and chief executive officer of the Company, with shareholding interests in the Company, held 23,000,000 Shares, representing approximately 0.64% of the total issued share capital of the Company. Therefore, Mr. Chi Chi Hung, Kenneth shall abstain from voting in favour of the ordinary resolution approving the Refreshment of General Mandate.

The Independent Board Committee, comprising Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in connection with the Refreshment of General Mandate. We, Vinco Capital, have been appointed and have been approved by the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give an independent opinion as to whether the Refreshment of General Mandate is in the interest of the Company and the Shareholders as a whole, being fair and reasonable so far as the Independent Shareholders are concerned and whether the Independent Board Committee should recommend the Independent Shareholders to vote in favour of the Refreshment of General Mandate at the SGM.

As at the Latest Practicable Date, we were not aware of any relationships or interest between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.36(4) of Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations on the terms of the proposed ordinary resolution of the Refreshment of General Mandate. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates.

LETTER FROM VINCO CAPITAL

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete up to and including the date of the SGM and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Refreshment of General Mandate, as referred to in Rule 13.80 of the Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Refreshment of General Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM VINCO CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED IN RELATION TO THE REFRESHMENT OF GENERAL MANDATE

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate, we have considered the principal factors and reasons set out below:

Background to and reasons for the Refreshment of General Mandate

Background

The Group is principally engaged in the businesses of trading and distribution of liquor and wine, investments in listed securities and provision of money lending services. As stated in the chairman's statement in the annual report of the Company for the year ended 30 June 2014, the Group will continue to proactively seize strategic investment opportunities with an aim to further strengthen the asset base and strive for the best return to the Shareholders.

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot and issue not more than 718,882,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,413,900 Shares as at the date of passing of the relevant resolution.

As announced in the announcement of the Company dated 4 February 2015, up to 718,000,000 Shares may be allotted and issued under the Existing General Mandate under the Acquisition Agreement and the Service Contract. The Existing General Mandate has been utilized as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Existing General Mandate since the AGM and save for the 1,238,095,238 Convertible Preference Shares and the 1,016,500,000 Share Options, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

The Company will convene the SGM at which ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the SGM.

As at the Latest Practicable Date, the Company had an aggregate of 3,594,613,900 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to allot and issue up to 718,922,780 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

LETTER FROM VINCO CAPITAL

The New General Mandate will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

Reasons for the Refreshment of the General Mandate

As detailed in the Letter from the Board, and after our discussion with the Directors, we are aware of that in order to allow the flexibility to raise further capital to finance future investments and/or for future business development, the Company wishes to seek approval of Shareholders at the SGM to grant the New General Mandate to the Directors. As at the Latest Practicable Date, the Company does not have any immediate plans for any new issue of Shares under the New General Mandate at present, and had not made any refreshment of the Existing General Mandate since the AGM and save for the 1,238,095,238 Convertible Preference Shares and the 1,016,500,000 Share Options, the Company had an aggregate of 3,594,613,900 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshment of General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to allot and issue up to 718,922,780 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

The Directors consider that it is necessary for the Refreshment of General Mandate, as (i) it will enable the Group to conduct fund raising activities as and when opportunities arise; and (ii) granting of specific mandate is subject to the approval of the Shareholders which may cause undue delay if the Group wishes to carry out timely acquisitions. If the Existing General Mandate is refreshed, the Group will be in a better bargaining position in the negotiation of potential investments or acquisitions, the Board thus proposes to pass an ordinary resolution at the SGM to approve the Refreshment of General Mandate so as to allow the Directors to issue new Shares not exceeding 20% of the nominal amount of the issued share capital of the Company as at the Latest Practicable Date.

Financial Flexibility

The Directors believe that the Refreshment of General Mandate will provide the Company with necessary financial flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

As advised by the Directors, although there is no intention/plan for utilising the New General Mandate at the Latest Practicable Date but if any potential investors offer attractive terms for investment in the Shares subject to the market conditions, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares, the proceeds of which may be used as general working capital and/or supporting the Group's future business development. The Directors consider that funding requirement or appropriate investment opportunities may or may not raise at any time prior to the next annual general meeting and decision may have to be made within a limited period of time in such event. The Directors therefore believe that the Refreshment of General Mandate will provide flexibility in the source of funding and allow the Company to grasp any potential opportunities in a timely manner.

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Accordingly, we are of view that it is fair and reasonable to grant the New General Mandate to the Directors to allot and issue shares.

Other financing alternatives

As advised by the Directors, apart from equity financing, the Directors will also consider other financing methods such as bank financing and debt financing so as to meet its financing requirements arising from any future development of the Group, depending on the financial position, capital structure and cost of funding of the Group as well as the prevailing market conditions. Bank financing and debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks.

Furthermore, as the Group has been at a loss making position as stated in its 2014/2015 interim report for the six months ended 31 December 2014, it would have to go through lengthy due diligence to raise funds via bank financing as well as pledge of assets of the Group. Therefore, the Directors consider that the Refreshment of General Mandate may provide an alternative to fund any possible business development or investment opportunities that does not create any interest paying obligations on the Group. Accordingly, the Directors confirmed that they would exercise due and careful consideration when choosing the financing method available to the Group and would adopt the method which serves the best interest of the Group. In light of the above, we consider the Refreshment of General Mandate provides the Company an additional financing alternative to raise further capital for its business development if and when an opportunity arises and it is reasonable for the Company to maintain its flexibility in deciding the best financing alternative for its future investments and/or business development. Therefore, we thus concur with the Directors' view that the proposed Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

In view of the next annual general meeting will not be held until around December 2015, which is about nine months away from the Latest Practicable Date. the granting of the New General Mandate shall (i) ensure the Company having sufficient general mandate, if so required; (ii) provide an alternative to increase the amount of capital which may be raised under the New General Mandate; and (iii) the Refreshment of General Mandate provides more flexibility and options of financing to the Group for future business opportunities which may arise occasionally. We are of the view that the New General Mandate is subject to the grant of the Independent Shareholders at the SGM, which may or may not be utilized, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Fund raising activities in the past twelve months

As announced in the announcement of the Company dated 12 December 2014, the Company as issuer and Mr. Choi Chiu Fai Stanley and Solar Power, Inc. as subscribers entered into a memorandum of understanding on 12 December 2014, pursuant to which the Company has agreed to allot and issue, at the subscription price of approximately HK\$0.03135 per Share, an aggregate of 38,277,511,960 Shares to Mr. Choi Chiu Fai Stanley and Solar Power, Inc. The total subscription price of such possible subscription would be HK\$1,200 million. The net proceeds of such possible subscription will be applied for the development of the solar energy business which the Board considers to be of high growth potential. Such memorandum of understanding expired on 12 March 2015.

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As announced in the announcement of the Company dated 7 October 2014, the Company as issuer and Evergrande Real Estate Group Limited and Solar Power, Inc. as subscribers entered into a memorandum of understanding on 7 October 2014 pursuant to which the Company has agreed to allot and issue, at the subscription price of approximately HK\$0.03135 per Share: (i) 30,813,397,130 Shares to Evergrande Real Estate Group Limited; and (ii) 7,464,114,830 Shares to Solar Power, Inc. Such memorandum of understanding expired on 6 December 2014.

Save as disclosed above, the Directors confirmed that the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

Potential dilution to the shareholding of the Company

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) for illustrative purposes, immediately after the allotment and issue of 718,000,000 Shares under the Existing General Mandate pursuant to the terms of the Acquisition Agreement and the Service Contract assuming that no other new Shares will be allotted and issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the allotment and issue of 718,000,000 Shares under the Existing General Mandate; and (iii) for illustrative purposes, immediately after full utilisation of the New General Mandate assuming that save for the 718,000,000 Shares allotted and issued under the Existing General Mandate, no other new Shares will be allotted and issued and/or repurchased by the Company from the Latest Practicable Date up to the date of full utilisation of the New General Mandate:

	As at the Latest Practicable Date		Immediately after the allotment and issue of 718,000,000 Shares under the Existing General Mandate		Immediately after the allotment and issue of 718,000,000 Shares under the Existing General Mandate and full utilisation of the New General Mandate	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Shareholders						
Intense Rise Holdings Limited (Note 1)	870,007,125	24.20	870,007,125	20.17	870,007,125	17.29
Mr. Choy Shiu Tim	180,000,000	5.01	180,000,000	4.17	180,000,000	3.58
Wise Profit Group Limited (Note 2)	418,210,000	11.64	418,210,000	9.70	418,210,000	8.31
Mr. Wong Yat Fai	2,640,000	0.07	2,640,000	0.06	2,640,000	0.05
Mr. Yam Tak Cheung	—	—	538,270,000	12.48	538,270,000	10.70
Mr. He Yumin	—	—	179,730,000	4.17	179,730,000	3.57
Other public Shareholders	2,123,756,775	59.08	2,123,756,775	49.25	2,123,756,775	42.21
New Shares issued under the New General Mandate	—	—	—	—	718,922,780	14.29
Total	3,594,613,900	100.00	4,312,613,900	100.00	5,031,536,680	100.00

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Notes:

1. Intense Rise Holdings Limited is wholly-owned by Mr. Choy Shiu Tim.
2. Wise Profit Group Limited is wholly-owned by Mr. Wong Yat Fai.

Upon full utilisation of the New General Mandate, 718,922,780 Shares will be issued, representing 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 14.29% of the issued share capital of the Company as enlarged by the Shares issued under the New General Mandate. Assuming after the allotment and issue of 718,000,000 Shares under the Existing General Mandate pursuant to the terms of the Acquisition Agreement and the Service Contract that no other new Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the aggregate shareholding of the other public Shareholders will decrease from approximately 59.08% to approximately 42.21% upon the allotment and issue of 718,000,000 Shares under the Existing General Mandate and full utilisation of the New General Mandate. The existing public Shareholders will have a potential maximum decrease in shareholding of approximately 16.87% following the full utilisation of the New General Mandate.

Taking into account the principal factors of the Refreshment of General Mandate and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilisation of the New General Mandate, with all other things being equal, we consider such dilution or potential dilution of shareholding of the Independent Shareholders to be acceptable.

RECOMMENDATION

Having taken into consideration the above principal factors and reasons regarding the Refreshment of General Mandate, in particular:

- during the period from the grant of the Existing General Mandate to the Latest Practicable Date, approximately 100% of the Existing General Mandate has been utilised;
- the New General Mandate provides more flexibility and options of financing to the Company for future business opportunities which may arise occasionally ; and
- the acceptable potential dilution to shareholdings of the Independent Shareholders,

We are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole, and the grant of the New General Mandate is fair and reasonable and is on the ordinary and usual course of business of the Group so far as the Shareholders are concerned. Shareholders are, however, reminded to note the potential dilution effect of the full utilisation of the New General Mandate on their shareholding interests in the Company.

LETTER FROM VINCO CAPITAL

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Refreshment of General Mandate to be proposed at the SGM.

Yours faithfully,
For the on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Grand Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 11 years.



GUOCANG GROUP LIMITED

國藏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 559)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Guocang Group Limited (the “**Company**”) will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Thursday, 16 April 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors (the “**Directors**”) of the Company at the annual general meeting (the “**AGM**”) of the Company held on 2 December 2014 be and is hereby revoked and replaced by the following mandate **THAT**:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.05 each (the “**Shares**”) in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option schemes of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the AGM), pursuant to the resolution passed at the annual general meeting of the Company on 2 December 2014;

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the applicable laws of Bermuda to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or

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extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

By order of the Board
Guocang Group Limited
Wong Hin Shek
Chairman and executive Director

Hong Kong, 26 March 2015

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Suite 3908, 39/F.
Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
6. The voting at the Meeting (or at any adjournment thereof) shall be taken by way of poll.