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GUOCANG GROUP LIMITED

國藏集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 559)

**(1) REFRESHMENT OF GENERAL MANDATE,
(2) REFRESHMENT OF SCHEME MANDATE LIMIT
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

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

VINCO 

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 12 of this circular. A letter from the Independent Board Committee is set out on page 13 of this circular. A letter from Vinco Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 22 of this circular.

A notice convening the SGM to be held at Unit 4202, 42/F., The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 25 August 2015 at 11:00 a.m. is set out on pages 23 to 26 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 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 any adjournment thereof (as the case may be) should you so wish.

6 August 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 and 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 AGM General Mandate
“AGM 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 the AGM
“April 2015 SGM”	the special general meeting of the Company held on 16 April 2015
“April Acquisition Agreement”	the agreement dated 26 April 2015 and entered into among the Company and Mr. Lee Man Bun in relation to the sale and purchase of 85% of the total issued share capital of Delta Prestige Holdings Limited, details of which are set out in the announcement of the Company dated 26 April 2015
“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

DEFINITIONS

“Current General Mandate”	the general mandate approved at the April 2015 SGM 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
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising the independent non-executive Directors, to advise the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Financial Adviser” or “Vinc Capital”	Grand Vinc Capital Limited, a wholly-owned subsidiary of Vinc Financial Group Limited (stock code: 8340) and a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, 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”	4 August 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 Current General Mandate by way of granting the New General Mandate

DEFINITIONS

“Refreshment of Scheme Mandate Limit”	the proposed refreshment of the Scheme Mandate Limit so that the Company may grant new Share Options to subscribe for new Shares representing in aggregate up to 10% of its issued share capital as at the date of the SGM
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all Share Options to be granted under the Share Option Scheme and which must not in aggregate exceed 10% of the Shares in issue as at the date of passing of the relevant ordinary resolution
“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
“SGM”	the special general meeting of the Company to be convened and held on 25 August 2015 to consider and, if thought fit, to approve the Refreshment of General Mandate, the Refreshment of Scheme Mandate Limit and the matters contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Option(s)”	the options granted or to be granted under the Share Option Scheme or any other schemes of the Company to subscribe for Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 13 December 2013
“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

6 August 2015

To the Shareholders

Dear Sir or Madam,

**(1) REFRESHMENT OF GENERAL MANDATE,
(2) REFRESHMENT OF SCHEME MANDATE LIMIT
AND
(3) 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 Refreshment of Scheme Mandate Limit; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Refreshment of General Mandate; (iv) the recommendation from Vinco Capital to the Independent Board Committee and the Independent Shareholders on the Refreshment of General Mandate; and (v) a notice of the SGM.

LETTER FROM THE BOARD

AGM GENERAL MANDATE AND CURRENT GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the AGM 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 AGM General Mandate pursuant to the Acquisition Agreement and the Service Contract. The AGM General Mandate has been utilised as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the AGM General Mandate.

At the April 2015 SGM, the Independent Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue not more than 718,922,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,613,900 Shares as at the date of passing of the relevant resolution.

As announced in the announcements of the Company dated 26 April 2015 and 29 May 2015, 700,000,000 Shares were allotted and issued under the Current General Mandate pursuant to the April Acquisition Agreement. The Current General Mandate has been utilised as to 700,000,000 Shares, representing approximately 97.37% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Current General Mandate since the April 2015 SGM and save for the 1,238,095,238 Convertible Preference Shares and the 777,000,000 Share Options, there were no 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 4,482,113,900 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 896,422,780 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.

LETTER FROM THE BOARD

REASONS FOR THE REFRESHMENT OF GENERAL MANDATE

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

As explained in the paragraph headed “AGM General Mandate and Current General Mandate” above, the Current General Mandate had been utilised as to 700,000,000 Shares, representing approximately 97.37% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

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(s) 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.

LETTER FROM THE BOARD

EQUITY 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 approximately 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. As announced in the announcement of the Company dated 12 March 2015, the negotiations and discussions on such possible subscription have been terminated and such possible subscription contemplated under the aforesaid memorandum of understanding will not proceed.

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 AGM 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 AGM 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 AGM 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 Latest Practicable Date		Immediately after the allotment and issue of 718,000,000 Shares under the AGM General Mandate		Immediately after the allotment and issue of 718,000,000 Shares under the AGM General Mandate and full utilisation of the New General Mandate	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Intense Rise Holdings Limited (Note 1)	870,007,125	19.41	870,007,125	16.73	870,007,125	14.27
Mr. Choy Shiu Tim	180,000,000	4.02	180,000,000	3.46	180,000,000	2.95
Wise Profit Group Limited (Note 2)	418,210,000	9.33	418,210,000	8.04	418,210,000	6.86
Mr. Wong Yat Fai	2,300,000	0.05	2,300,000	0.04	2,300,000	0.04
Mr. Yam Tak Cheung	—	—	538,270,000	10.35	538,270,000	8.83
Mr. He Yumin	—	—	179,730,000	3.46	179,730,000	2.95
Other public Shareholders	3,011,596,775	67.19	3,011,596,775	57.92	3,011,596,775	49.40
New Shares issued under the New General Mandate	—	—	—	—	896,422,780	14.70
Total	<u>4,482,113,900</u>	<u>100.00</u>	<u>5,200,113,900</u>	<u>100.00</u>	<u>6,096,536,680</u>	<u>100.00</u>

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.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Chiu Wai On, Mr. Man Kwok Leung, 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.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme pursuant to the ordinary resolution passed by the then Shareholders on 29 November 2013, the original number of Shares which may be issued upon the exercise of all Share Options granted or to be granted under the Share Option Scheme was 359,441,390 Shares, representing 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme. There has been no refreshment of the Scheme Mandate Limit since the adoption of the Share Option Scheme.

The purpose of the Share Option Scheme is to enable the Company to grant Share Options to the eligible participants of the Share Option Scheme as incentives or rewards for their contribution or potential contribution to the Group or any entity in which the Group holds an equity interest.

Apart from the Share Option Scheme, there is no other Share Option Scheme as at the Latest Practicable Date.

The Company may refresh the Scheme Mandate Limit at any time subject to approval of the Shareholders in general meeting, provided that the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of passing the relevant resolution. Share Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised Share Options) will not be counted for the purpose of calculating the limit.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. No Share Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

As at the Latest Practicable Date, the Company has granted 359,000,000 Share Options since the date of adoption of the Share Option Scheme. Hence, only up to 441,390 Share Options may be further granted under the Share Option Scheme, representing approximately 0.12% of the existing Scheme Mandate Limit. As at the Latest Practicable Date, there are 777,000,000 outstanding Share Options representing approximately 17.34% of the total issued share capital of the Company.

As at the Latest Practicable Date, there were 4,482,113,900 Shares in issue. If the Scheme Mandate Limit is refreshed on the basis of 4,482,113,900 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the SGM, the Company may grant Share Options entitling holders thereof to subscribe for up to a maximum number of 448,211,390 Shares, representing 10% of the issued share capital of the Company as at the date of the approval of the Refreshment of Scheme Mandate Limit by the Shareholders at the SGM.

LETTER FROM THE BOARD

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to provide the Company with the flexibility of granting further Share Options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees which the Board considers to be in the interests of the Company and the Shareholders as a whole. The Board therefore seeks the approval of the Shareholders at the SGM to refresh the Scheme Mandate Limit.

The Refreshment of Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve, among other things, the Refreshment of Scheme Mandate Limit by the Shareholders at the SGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Share Options granted under the refreshed Scheme Mandate Limit, up to 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Share Options to be granted under the refreshed Scheme Mandate Limit.

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, Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates shall abstain from voting in favour of the resolution approving the Refreshment of General Mandate. Since the Company has no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution at the SGM.

As at the Latest Practicable Date, Mr. Chi Chi Hung, Kenneth, being the executive Director and chief executive officer of the Company, held 23,000,000 Shares, representing approximately 0.51% 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 at the SGM.

Save as disclosed above, to the best of the Director's knowledge, information and belief having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the proposed resolution on the Refreshment of General Mandate at the SGM.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Directors and Shareholders have material interest in the Refreshment of Scheme Mandate Limit and no Shareholders are required to abstain from voting at the SGM approving the Refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

SGM

A notice convening the SGM to be held at Unit 4202, 42/F., The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 25 August 2015 at 11:00 a.m. is set out on pages 23 to 26 of this circular for the purpose of considering and, if thought fit, passing the resolution approving the Refreshment of General Mandate and the Refreshment of Scheme Mandate Limit.

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.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolutions will be put to vote by way of poll at the SGM.

RECOMMENDATIONS

Your attention is drawn to the letter of advice from Vinco Capital set out on pages 14 to 22 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 13 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate.

The Directors consider the proposed Refreshment of Scheme Mandate Limit and the proposed Refreshment of General Mandate are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders or the Independent Shareholders to vote in favour of the proposed resolutions as set out in the notice of SGM.

The Independent Board Committee, having taken into account the advice of Vinco Capital in relation to the Refreshment of General Mandate, is of the opinion that the Refreshment of General Mandate is in the best interest of the Company and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM for approving the Refreshment of General Mandate.

LETTER FROM THE BOARD

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)

6 August 2015

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 6 August 2015 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed 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 reasons and factors considered by, and the advice of, Vinco Capital as set out in its letter of advice to us on pages 14 to 22 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
Independent non-executive Directors

Wong Yun Kuen

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

6 August 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 proposed 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 6 August 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 AGM 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 AGM General Mandate under the Acquisition Agreement and the Service Contract. The AGM General Mandate has been utilised as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the AGM General Mandate.

At the April 2015 SGM, the Independent Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue not more than 718,922,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,613,900 Shares as at the date of passing of the relevant resolution.

LETTER FROM VINCO CAPITAL

As announced in the announcements of the Company dated 26 April 2015 and 29 May 2015, 700,000,000 Shares were allotted and issued under the Current General Mandate pursuant to the April Acquisition Agreement. The Current General Mandate has been utilised as to 700,000,000 Shares, representing approximately 97.37% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Current General Mandate since the April 2015 SGM and save for the 1,238,095,238 Convertible Preference Shares and the 777,000,000 Share Options, there were no 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.

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 associates, or where there are no controlling Shareholders, 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 0.51% 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 interests 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 Vinco Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Vinco Capital's independence as defined under Rule 13.36(4) of

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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. Save for our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of general mandate stated in the circular of the Company dated 26 March 2015; we have not acted as the independent financial adviser for the Company's other transactions in the past two years. The professional fee in connection with this engagement has been fully settled. We are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are considered eligible to give independent advice on the Refreshment of General Mandate.

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

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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.

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, manufacturing and sale of the electric cycles, 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 AGM 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 AGM General Mandate under the Acquisition Agreement and the Service Contract. The AGM General Mandate has been utilised as to 718,000,000 Shares, representing approximately 99.88% of the aggregate number of Shares which may be allotted and issued under the AGM General Mandate.

At the April 2015 SGM, the Independent Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Current General Mandate to allot and issue not more than 718,922,780 Shares, being 20% of the entire issued share capital of the Company of 3,594,613,900 Shares as at the date of passing of the relevant resolution.

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As announced in the announcements of the Company dated 26 April 2015 and 29 May 2015, 700,000,000 Shares were allotted and issued under the Current General Mandate pursuant to the April Acquisition Agreement. The Current General Mandate has been utilised as to 700,000,000 Shares, representing approximately 97.37% of the aggregate number of Shares which may be allotted and issued under the Current General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Current General Mandate since the April 2015 SGM and save for the 1,238,095,238 Convertible Preference Shares and the 777,000,000 Share Options, there were no 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 4,482,113,900 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 896,422,780 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 proposed refreshment of the Current 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 save for the 1,238,095,238 Convertible Preference Shares and the 777,000,000 Share Options, the Company had an aggregate of 4,482,113,900 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 896,422,780 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 it will (i) enable the Group to conduct fund raising activities 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 Current General

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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, 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.

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 condition. 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 for the Company 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/

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or business development. Therefore, we thus concur with the Directors' view that the 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 five 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 utilised, 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 approximately 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. As announced in the announcement of the Company dated 12 March 2015, the negotiations and discussions on such possible subscription have been terminated and such possible subscription contemplated under the aforesaid memorandum of understanding will not proceed.

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

Set out below is a table showing 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 AGM 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 AGM General Mandate;

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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 AGM 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 AGM General Mandate		Immediately after the allotment and issue of 718,000,000 Shares under the AGM 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	19.41	870,007,125	16.73	870,007,125	14.27
Mr. Choy Shiu Tim	180,000,000	4.02	180,000,000	3.46	180,000,000	2.95
Wise Profit Group Limited (Note 2)	418,210,000	9.33	418,210,000	8.04	418,210,000	6.86
Mr. Wong Yat Fai	2,300,000	0.05	2,300,000	0.04	2,300,000	0.04
Mr. Yam Tak Cheung	—	—	538,270,000	10.35	538,270,000	8.83
Mr. He Yumin	—	—	179,730,000	3.46	179,730,000	2.95
Other public Shareholders	3,011,596,775	67.19	3,011,596,775	57.92	3,011,596,775	49.40
New Shares issued under the New General Mandate	—	—	—	—	896,422,780	14.70
Total	4,482,113,900	100.00	5,200,113,900	100.00	6,096,536,680	100.00

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, 896,422,780 Shares will be issued, representing 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 14.70% 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 AGM General Mandate pursuant to the terms of the Acquisition Agreement and the Service Contract and assuming that no other new Shares will be allotted and 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 67.19% to approximately 49.40% upon the allotment and issue of 718,000,000 Shares under the AGM General Mandate and full utilisation of the New General Mandate. The existing public Shareholders will have a potential maximum decrease in shareholding of approximately 17.79% following the full utilisation of the New General Mandate and the allotment and issue of 718,000,000 Shares under the AGM General Mandate.

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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 Current General Mandate to the Latest Practicable Date, approximately 100% of the Current 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 terms of the New General Mandate is fair and reasonable 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.

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 10 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 Unit 4202, 42/F., The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 25 August 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**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 special general meeting of the Company held on 16 April 2015 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 “**Stock Exchange**”), 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;
 - (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

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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 passing of the relevant ordinary resolution), 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 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).”

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2. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares of the Company to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme passed by an ordinary resolution of the Company on 29 November 2013 and adopted by the Company on 13 December 2013, representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed, in the manner as set out in paragraph (a) of this resolution below,
- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
- (b) the Directors be and are hereby authorised do all such acts and things and execute all such documents, including under common seal of the Company where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

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

Hong Kong, 6 August 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 office of 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 (as the case may be).

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4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the Meeting was originally held within 12 months from such date.
5. 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.
6. 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.
7. The voting at the Meeting (or any adjournment thereof) shall be taken by way of poll.