GUOCANG GROUP LIMITED
國藏集團有限公司

(proposed to be renamed as DeTai New Energy Group Limited
德泰新能源集團有限公司*)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 559)

LAPSE OF MAJOR TRANSACTION

References are made to the announcements of Guocang Group Limited (the "**Company**") dated 31 March 2015, 24 April 2015, 29 May 2015, 30 June 2015 and 21 August 2015 (the "**Announcements**") in relation to, among other things, the acquisition of the entire equity interest in Shenzhen Xingmei New Energy Automobile Limited for the consideration of RMB200,000,000. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Pursuant to the Framework Agreement, Completion is subject to the fulfilment or waiver (as the case may be) of the conditions precedent to the Framework Agreement on or before 30 September 2015 or such later date as agreed by the parties to the Framework Agreement (the "**Long Stop Date**"). As certain conditions have not been fulfilled and/or waived (as the case may be) as at the Long Stop Date and the parties to the Framework Agreement have not agreed on any further extension of the Long Stop Date, on 1 October 2015, the Purchaser delivered a unilateral termination notice to the Vendors and the Target Company to terminate the Framework Agreement with immediate effect. Upon such termination, neither party shall have any further obligations or liabilities towards the other nor any claims against the other in connection with the Framework Agreement (save for antecedent breaches).

The Board considers that the lapse of the Framework Agreement will not have any material adverse impact on the business, operation and financial position of the Group.

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

Hong Kong, 1 October 2015

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Chi Chi Hung, Kenneth; and the independent non-executive Directors are Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen.