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TERMINATION OF SUBSCRIPTION AGREEMENT

Reference is made to the announcement of the Company dated 22 November 2011 in relation to, the subscription of shares by Investor (“**Subscription Announcement**”) and the delay in dispatch announcement dated 12 December 2011 and 30 December 2011 (“**Delay Announcements**”). Unless otherwise specified, terms used herein shall have the same meanings as defined in the Subscription Announcement.

As the Company and the Investor have not reached a mutual agreement in relation to the contemplated amendments to the Subscription Agreement and the requisite conditions precedent have not been fulfilled, the Company wishes to announce that it has, pursuant to the terms of the Subscription Agreement, terminated the Subscription Agreement and the transactions contemplated therein today, being the last Business Day prior to the Long Stop Date on which all the conditions precedent for the advance of First Tranche Payment must be met.

The Directors consider that the termination of the Subscription Agreement have no material adverse impact on the financial and operational position of the Company.

By Order of the Board
China Vanguard Group Limited
眾彩科技股份有限公司*
CHAN Siu Sarah
Director

Hong Kong, 20 January 2012

As at the date of this announcement, the board of directors of the Company comprises five executive directors, being Madam Cheung Kwai Lan, Mr. Chan Ting, Ms. Chan Siu Sarah Mr. Chan Tung Mei, and Mr. Lau Hin Kun; and four independent non-executive directors, being Mr. Tian He Nian, Mr. Zhang Xiu Fu, Mr. Yang Qing Cai and Mr. To Yan Ming Edmond.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its posting and on the website of the Company at www.cvg.com.hk.

* For identification purposes only