

CHINA VANGUARD GROUP LIMITED
眾彩科技股份有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 8156)

(“Company”)

**PROCEDURE FOR SHAREHOLDERS TO PROPOSE A PERSON
FOR ELECTION AS A DIRECTOR OF THE COMPANY**

1. Pursuant to the Articles of Association of the Company, in order for a person to be eligible for election as a Director where such person has not been recommended by the Directors for election, a Shareholder may lodge at the principal place of business of the Company in Hong Kong at Room 2201, 22/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, a written notice signed by such Shareholder (other than the person to be proposed)(the “Notice”) duly qualified to attend and vote at the meeting for which the Notice is given of his/her/their intention to propose such person for election.

For the purpose of these procedures, “Shareholder” shall mean holder of ordinary share(s) of the Company.

2. The Notice must state clearly the name, contact details of the Shareholder and his/her/their shareholding in the Company. The Notice together with the documents/information set out in item 3 below must be lodged at the Company provided that the minimum length of the period, during which the Notice is given, shall be at least seven (7) days and that if the Notice is submitted after the dispatch of the notice of the general meeting appointed for such election) the period of lodgment of such Notice shall commence on the day after the dispatch of the notice of general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
3. The Notice must be accompanied by the following documents/information:
 - (i) A letter of consent signed by the person proposed to be elected of his/her/their willingness to be elected as a director of the Company;
 - (ii) Biographic details (with valid supporting documents) of the person proposed to be elected as a Director of the Company which shall include, but not limited to, the following:
 - (a) full name and age;
 - (b) positions held with the Company and other members of the Group (if any);
 - (c) previous experience including other directorships in listed public companies in the last three years, and other major appointments and qualifications;

- (d) current employment and such other information (which may include business experience and professional qualifications and educational background) of which Shareholders should be aware, pertaining to the ability or integrity of the candidate;
 - (e) length or proposed length of service with the Company (if any);
 - (f) relationship with any Directors or senior management or substantial or controlling shareholders of the Company, or an appropriate negative statement;
 - (g) interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, or an appropriate negative statement;
 - (h) amount of the proposed Director's emoluments and the basis of determining the proposed Director's emoluments (including any bonus payments, whether fixed or discretionary in nature, irrespectively of whether the proposed Directors has nor does not have a service contract with any member of the Group) and how much of these emoluments are covered by a service contract;
 - (i) contact details;
 - (j) a declaration made by the proposed candidate in respect of the information required under Rules 17.50(2)(h) to (w) of the Rules ("**Listing Rules**") Governing the Listing of Securities on the Growth Market Enterprise ("**GEM**") of The Stock Exchange of Hong Kong Limited;
 - (k) if the proposal relates to person standing for election as an Independent Non-Executive Director of the Company, a written confirmation from the proposed candidate in respect of the information under Rule 5.09 of the GEM Listing Rules; and
 - (l) any other documents or information as may from time to time be required by the Directors to complete the review process.
4. The Directors shall transfer promptly the Notice together with the accompanying documents to the Nomination Committee of the board of Directors of the Company which shall then review the qualifications and conditions of such candidate in accordance with the Articles of Association of the Company, the GEM Listing Rules and other relevant laws and regulations and submit the review results to the Directors.
5. The Company shall publish an announcement in manner required by the GEM Listing Rules or issue a supplementary circular to propose such person for election as a Director of the Company at the general meeting where such Notice together with the accompanying documents are received by the Company after publishing of the notice of meeting. The Company shall include particulars of the proposed director of the Company in the announcement or supplementary circular.

Hong Kong, 25 May 2012