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**TERMINATION OF SHARE TRANSFER AGREEMENT
IN RELATION TO AN ACQUISITION OF 55% INTEREST IN
CHONGQING LIGHTSOFT TECHNOLOGY DEVELOPMENT CO. LTD.**

Termination of the Share Transfer Agreement

Considering the slow progress of satisfaction of the conditions precedent relating to the Completion of the Acquisition, avoiding further expenses to be incurred by the Group, it is in the interest of the Company and the Shareholders as a whole, the Share Transfer Agreement terminated with effect from 5:00 p.m. 28 June 2012.

Reference is made to the announcements (collectively, “**Announcements**”) of China Vanguard Group Limited (“**Company**”) dated 13 January 2012 and 14 October 2011 in relation to the share transfer agreement (“**Share Transfer Agreement**”) entered into between Shenzhen Bozone IT Co. Limited (深圳市博眾信息技術有限公司) (“**Purchaser**”), a wholly-owned subsidiary of the Company, and China Culture Development Digital Technology Co., Ltd. (北京中文發數字科技有限公司) (“**Vendor**”) whereby the Vendor agreed to sell and the Purchaser agreed to acquire 55% interest in Chongqing Lightsoft Technology Development Co. Ltd. (重慶禮光博軟科技發展有限公司). Unless otherwise stated, terms used herein shall have the same meanings as defined in the Announcements.

Termination of the Share Transfer Agreement

Consideration of slow progress satisfying the conditions precedent relating to the Completion of the Acquisition and to avoid further expenses to be incurred by the Group, pursuant to the terms and conditions of the Share Transfer Agreement, the Purchaser has notified the Vendor to terminate the Share Transfer Agreement on 28 June 2012. Hence, the Share Transfer Agreement has been terminated with effect from 5:00 p.m. 28 June 2012.

Pursuant to the terms and conditions of the Share Transfer Agreement, the parties shall have no further obligations to each other.

Under the Share Transfer Agreement, the Consideration shall be payable only upon the completion of the transfer of the relevant equity interests. The Directors consider that the termination of the Share Transfer Agreement will not have any material adverse impact on the Group's financial position and operation and believe it is in the interest of the Company and Shareholders as a whole.

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, 28 June 2012

As at the date of this announcement, the board of directors of the Company comprises six executive directors, being Madam Cheung Kwai Lan, Mr. Chan Ting, Mr. Wang Yong Chun, Ms. Chan Siu Sarah, Mr. Chan Tung Mei and Mr. Lau Hin Kun; and four independent non-executive directors, being Mr. Zhang Xiu Fu, Mr. Tian He Nian, 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