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PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board would like to inform the shareholders and potential investors that the Group is expected that the financial results of the Group for the three months ended 30 September 2012 may experience a decrease in net profit as compared to last year.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts of the Group.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Vanguard Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on information available, it is expected that the financial results of the Group for the three months ended 30 September 2012 (“**First Quarterly Results**”) may experience a decrease in net profit as compared to last year. Such decline was primarily attributable to the decrease of the revenue from the lottery business.

As the Company is still in the process of finalizing the First Quarterly Results, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts of the Group. The financial results for the three months ended 30 September 2012 of the Group are expected to be announced by the Company in the mid of November 2012.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities 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, 31 October 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*