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**SIGNING OF A SERVICE AGREEMENT WITH THE JILIN WELFARE LOTTERY
ISSUING CENTRE ANNOUNCEMENT
PURSUANT TO RULE 17.10 OF THE GEM LISTING RULES**

The Board is pleased to announce that on 27 November 2012 its indirect non-wholly owned subsidiary, Jilin Zong Cai, entered into the Service Agreement with the Jilin Welfare Lottery Issuing Centre. Pursuant to the Service Agreement, Jilin Zhong Cai is to provide software, hardware and corresponding maintenance services for certain China Welfare Lottery high frequency lottery game play in Jilin. Jilin Zhong Cai is also responsible for establishing specialty stores for such high frequency lottery game play in Jilin and managing the sales and marketing of these specialty stores. In return, Jilin Zhong Cai is to receive a certain percentage of the sales amount generated from the specialty stores established by Jilin Zhong Cai.

The Board believes that this cooperation will strengthen the Group's market position and facilitate its further development in providing services to the lottery sector in the PRC.

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

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THE SERVICE AGREEMENT

The Group's lottery-related operation is engaged in the supply of lottery-related software, equipment and services to the China Welfare Lottery Authorities and the establishment of lottery outlets in China, with operations in Tianjin, Chongqing, Zhejiang, Heilongjiang and Shenzhen, PRC.

“Company”	China Vanguard Group Limited, as exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
“Connected Persons”	has the meaning ascribed thereto in the GEM Listing Rules;
“Service Agreement”	the service agreement dated 27 November 2012 entered into between Jilin Zhong Cai and the Jilin Welfare Lottery Issuing Centre;
“Directors”	the directors of the Company;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jilin Zhong Cai”	Jilin Zhongcai Keji Company Limited* (吉林眾彩科技股份有限公司), a indirect non-wholly owned subsidiary of the Company;
“Independent Third Party(ies)”	person(s) who is not a connected person of the Company and is independent of and not connected with the Company and its Connected Persons;
“Jilin Welfare Lottery Issuing Centre”	Jilin Province Welfare Lottery Issuing Management Centre* (吉林省福利彩票發行管理中心), being a service provider of lottery in Jilin province (吉林省), PRC, an Independent Third Party;
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“China Welfare Lottery Authorities”

the authorities authorized by the Ministry of Civil Affairs of the PRC for the issue and management of China Welfare Lottery.

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, 27 November 2012

As at the date of this announcement, the board of directors of the Company comprises four executive directors, being Madam Cheung Kwai Lan, Mr. Chan Ting, Mr. Wang Yong Chun, Ms. Chan Siu Sarah, one non-executive director being Mr. Chan Tung Mei and three independent non-executive directors, being 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*