

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



眾彩科技股份有限公司*
CHINA VANGUARD GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8156

VOLUNTARY ANNOUNCEMENT

COOPERATION AGREEMENT WITH SHENZHEN SPORTS LOTTERY ADMINISTRATION CENTRE

The Board is pleased to announce that the Company has entered into a Cooperation Agreement with Shenzhen Sports Lottery Administration Centre for the provision of the newly launched innovative marketing technology services.

PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

On 2 February 2016, the Group, through its wholly-owned subsidiary, has entered into the Cooperation Agreement with Shenzhen Sports Lottery Administration Centre for the provision of out-of-home (“OOH”) advertising and information services on LED display panels and an electronic coupon distribution and physical lottery ticket redemption services, Le Yiao (“樂搖”), throughout lottery stores in Shenzhen.

Pursuant to the Cooperation Agreement, the Company has been authorised to install LED panels and operate OOH advertising services in lottery stores in Shenzhen under the jurisdiction of Shenzhen Sports Lottery Administration Centre, as well as provide electronic coupon distribution and physical lottery ticket redemption services in lottery stores through Bluetooth Low Energy (“BLE”)-enabled hardware that will be installed as provided by the Group.

ABOUT THE SERVICES PROVIDED

The end-to-end interactive in-store marketing technology solutions shall include OOH advertising and public information dissemination services on LED display panels are to be installed in lottery stores throughout Shenzhen. Information disseminated will include lottery-related information from Shenzhen Sports Lottery Administration Centre, while a portion of the screen time will be allocated for revenue generating OOH advertising. Furthermore, the Group, through a revolutionary electronic coupon distribution and physical lottery ticket redemption systems, Le Yao (“樂搖”), will be able to offer incentive-based mass marketing promotions, and utilizes the location-based BLE backed iBeacon technology on WeChat (“微信”), the PRC’s leading text and voice messaging communication service APP on smartphones and a proprietary store-front coupon redemption recognition APP. Through the BLE-based “Shake” (“微信搖一搖”) function provided by the WeChat (“微信”) platform, the Group shall offer customers free electronic coupons while enabling third-party merchants to gather social media engagement via driving social media traffic to WeChat Official accounts (“微信公眾號”).

REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT TO THE GROUP

The Board is of the view that the innovative nature of the marketing services will transform lottery consumption behavior that will be catalytic in increasing lottery sales, creating a win-win situation between third-party advertisers in marketing outreach while providing new revenue streams for the Group.

The interactive marketing services will contribute to the Group’s revenue through revenue share from advertising screentime on the LED display panels and share of marketing service revenue from third-party social media engagement.

The digitalization and mobilization of modern business operations has created the need for a more efficient and measurable interactive electronic information system to facilitate data and information flow between Lottery Centres and various distribution channels. The Board is of the view that the new services offered will create a significant new revenue stream for the Group.

The Board considers that the term of the Cooperation Agreement are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group's principle business activities include the provision of authorized lottery solutions and related services for both Sports and Welfare Lottery Centres in the PRC.

The Group is a leading purveyor with a proven track record in providing comprehensive, end-to-end solutions in hardware and software solutions, marketing promotion and distribution services, as well as downstream channel management services to Sports Lottery and Welfare Lottery Centres located across 21 provinces and regions in the PRC. Whilst the Group is focusing on its expertise on lottery-related operation, the Board is of the view that the new marketing services will become a substantial new business area and enable the Group to broaden its service offering and revenue streams.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement(s) on the latest development of Group's operations as and when appropriate in accordance with the GEM Listing Rules.

Definitions:

“Board”	the board of Directors
“Company”	China Vanguard Group Limited, a company incorporated in the Cayman Islands; the share of which are listed on the GEM (Stock code: 08156)
“Director(s)”	the director(s) of the Company
“Cooperation Agreement”	the specific cooperation agreement signed between Shenzhen Lottery Administration Centre and the Group
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“PRC” the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macao Special Administrative Region of the PRC and Taiwan)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
CHINA VANGUARD GROUP LIMITED
眾彩科技股份有限公司*
CHAN Ting
Executive Director and Chief Executive Officer

Hong Kong, 23 February 2016

As at the date of this announcement, the Board of the Company comprises Madam CHEUNG Kwai Lan, Mr. CHAN Ting as Executive Directors, Mr. CHAN Tung Mei as Non-executive Director and Mr. ZHANG Xiu Fu, Mr. YANG Qing Cai and Mr. TO Yan Ming Edmond as Independent Non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 publication and on the website of the Company at www.cvg.com.hk.

** For identification purposes only*