

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

PILOT FRAMEWORK AGREEMENT WITH GANSU SPORTS LOTTERY ADMINISTRATION CENTRE

The board (the “**Board**”) of directors (the “**Directors**”) of China Vanguard Group Limited (the “**Company**”, together with its subsidiaries, collectively as the “**Group**”) is pleased to announce that on 19 May 2016, the Company, through a non-wholly owned subsidiary, has entered into a Pilot Framework Agreement (the “**Agreement**”) with Gansu Sports Lottery Administration Centre for the provision of the newly launched innovative marketing technology services.

PRINCIPAL TERMS OF THE AGREEMENT

Pursuant to the Agreement, the Group shall provide the out-of-home (“**OOH**”) advertising and information services on LED display panels and an electronic coupon distribution system and physical lottery ticket redemption services, Yao Cai (“搖彩”), throughout lottery stores in Gansu province under the jurisdiction of Gansu Sports Lottery Administration Centre. The Company has been authorised to install LED panels, our proprietary Bluetooth Low Energy (“**BLE**”) enabled hardware and operate Yao Cai (“搖彩”).

The Agreement is the second contract which the Group has entered into for the provision of the interactive in-store marketing technology solution and Yao Cai (“搖彩”) services in the PRC.

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 Gansu province. Information disseminated will include lottery-related information from Gansu Sports Lottery Administration Centre, while a portion of the screen time will be allocated for revenue generating OOH advertising. The Group shall provide electronic coupon distribution and physical lottery ticket redemption services through its proprietary Yao Cai (“搖彩”) system, which has gathered multiple awards at the 44th International Exhibition of Inventions of Geneva, including the Gold Award for “Technology for Dissemination System of Public Information and Advertising”.

REASONS FOR AND BENEFITS OF THE AGREEMENT TO THE GROUP

The Agreement is the second contract for the Group for the provision of interactive in-store marketing technology solutions and the Yao Cai (“搖彩”) system. 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 while providing new revenue streams for the Group. Hence the Management will continue to pursue further opportunities for the provision of such services.

The Board considers that the term of the 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.

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, 19 May 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*