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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

INSIDE INFORMATION

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by China Vanguard Group Limited (the “**Company**”) 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**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 20 December 2016, the board (the “**Board**”) of directors (the “**Directors**”) of the Company was informed by Best Frontier Investments Limited (“**Best Frontier**”), the controlling shareholder (as defined in the GEM Listing Rules) of the Company, that Best Frontier has entered into a sale and purchase agreement with a third party (the “**Purchaser**”), pursuant to which Best Frontier has agreed to sell an aggregate of 645,410,000 ordinary shares of the Company (the “**Shares**”) (representing 20.0% of the issued share capital of the Company) to the Purchaser (the “**Disposal**”). As of the date of this announcement, the Disposal has not been completed.

Best Frontier has further informed the Board that, to its best knowledge, the Purchaser was a third party independent of and not connected with the Company and its core connected person (as defined in the GEM Listing Rules).

Best Frontier is owned as to 99.89% by Madam CHEUNG Kwai Lan and as to 0.11% by Mr. CHAN Tung Mei, being an Executive Director and a Non-executive Director respectively. Mr. CHAN Tung Mei is the spouse of Madam CHEUNG Kwai Lan.

Before the completion of the Disposal, Best Frontier owns 1,068,565,856 Shares, representing approximately 33.11% of the issued share capital of the Company as at the date of this announcement.

Immediately upon the completion of the Disposal, Best Frontier will own 423,155,856 Shares, representing 13.11% of the issued share capital of the Company as at the date of this announcement, and will cease to be a controlling shareholder but will continue to be a substantial shareholder (as defined in the GEM Listing Rules) of the Company.

Shareholders and potential investors should 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 Ting

Executive Director and Chief Executive Officer

Hong Kong, 20 December 2016

As at the date of this announcement, the Board 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