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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)

PRICE SENSITIVE INFORMATION

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

The Company announces that the Seventh Amendment Deeds and the Third Restatement Agreement were entered into on 31 March 2010 after trading hours.

Pursuant to the Seventh Amendment Deeds, the period during which the Noteholders may require redemption of the outstanding principal amounts of the Amended Notes has been changed from “the period from 27 February 2010 to 31 March 2010 (inclusive)” to “the period from 1 April 2010 to 30 April 2010 (inclusive)”. The amendments to the Amended Notes contemplated under the Seventh Amendment Deeds came into effect on 31 March 2010.

Pursuant to the Third Restatement Agreement, amongst other things, with effect from 31 March 2010 the definition of the term “Undertaking Period” under the Amended Undertaking was amended to the effect that the Undertaking Period commenced on 18 June 2009 and ends on the first to occur of (i) 30 April 2010 and (ii) the date on which the Company, Grand Promise and the Noteholders have executed the Notes Restructuring Documents.

The previous amendments to the Original Notes have allowed time for the Company and Grand Promise to seek financing for redemption. During this time, Grand Promise had redeemed the Original Notes partially. After the partial redemptions occurred prior to the date of this announcement, the aggregate outstanding principal amounts of the Original Notes together with interest accrued were reduced from approximately HK\$327,710,000 on 3 July 2009 to approximately HK\$106,776,000 on 25 February 2010 (being the date of the Sixth Amendment Deeds) and were further reduced to approximately HK\$79,575,000 as at the date of this announcement.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules. Capitalised terms used in this announcement have the meaning given to them in the announcement of the Company dated 18 June 2009 (the “**June Announcement**”) unless otherwise defined in this announcement.

1. BACKGROUND

Reference is made to the June Announcement and the announcements of the Company dated 15 July 2009, 4 August 2009, 28 August 2009, 14 September 2009, 22 September 2009, 29 September 2009, 30 October 2009, 13 January 2010 and 25 February 2010 respectively.

(a) The Original Notes as amended

In the June Announcement, it was announced, amongst other things, that the First Amendment Deeds were entered into amending the Original Notes. The Original Notes were subsequently further amended.

Pursuant to the amendments contemplated under the Sixth Amendment Deeds, being the latest amendments prior to the coming into effect of the Seventh Amendment Deeds, the Noteholders may require redemption of the outstanding principal amounts of the Amended Notes from 27 February 2010 to 31 March 2010 (inclusive).

(b) The Original Undertaking as amended

In the June Announcement, it was announced, amongst other things, that the Company, Grand Promise, Evolution and Liberty Harbor had entered into the Original Undertaking. Pursuant to the Original Undertaking, restrictions were imposed on the CVG Group Member and Aptus on withdrawals or transfers from bank accounts during the Undertaking Period (being the period commencing on 18 June 2009 and ending on the first to occur of (A) 15 July 2009 and (B) the date on which the Company, Grand Promise and the Noteholders have executed definitive legally binding and enforceable documentation to restructure all amounts outstanding under the Original Notes (the “**Notes Restructuring Documents**”).

The Original Undertaking was subsequently amended and restated by the Previous Undertaking Amendment Agreements, the First Restatement Agreement and the Second Restatement Agreement as disclosed in the announcements of the Company dated 15 July 2009, 4 August 2009, 28 August 2009, 14 September 2009, 22 September 2009, 29 September 2009, 30 October 2009, 13 January 2010 and 25 February 2010 respectively.

2. THE SEVENTH AMENDMENT DEEDS

(a) Entering into of the Seventh Amendment Deeds

The Company announces that after trading hours on the date of this announcement:

- (i) the Company, Grand Promise and Evolution have entered into the Seventh Evolution Amendment Deed; and
- (ii) the Company, Grand Promise and Liberty Harbor have entered into the Seventh Liberty Amendment Deed.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, both Evolution and Liberty Harbor and their ultimate beneficial owner(s) are Independent Third Parties.

The Seventh Evolution Amendment Deed and the Seventh Liberty Amendment Deed are made on the same terms and conditions.

(b) Amendments relating to the Noteholders' option to require redemption pursuant to the Seventh Amendment Deeds

Under the terms of the Amended Notes, if on 27 February 2010, the holder of the note has not exercised its right to exchange the note into the shares of the Company, the holder of the note had the option, but not the obligation, during the period from 27 February 2010 to 31 March 2010 (inclusive) to require Grand Promise to redeem all or any part of its outstanding note at the Early Redemption Amount.

Pursuant to the Seventh Amendment Deeds, the period (the “**Option Period**”) during which the Noteholders may exercise their options to require redemption of the outstanding principal amounts of the Amended Notes has been changed from “the period from 27 February 2010 to 31 March 2010 (inclusive)” to “the period from 1 April 2010 to 30 April 2010 (inclusive)”. The amendments to the Amended Notes contemplated under the Seventh Amendment Deeds came into effect on 31 March 2010.

Save and except as amended pursuant to the amendment described above and incidental amendments (for example, amending the definition of the term “Transaction Documents” to include the Seventh Amendment Deeds), the terms of the Amended Notes remain in full force and effect.

(c) Approval of the Stock Exchange

The Stock Exchange has granted its approval of the amendments to the Amended Notes contemplated under the Seventh Amendment Deeds as required under the GEM Listing Rules.

3. THE THIRD RESTATEMENT AGREEMENT

The Company announces that the Company, Grand Promise, Evolution and Liberty Harbor have entered into the Third Restatement Agreement after trading hours on the date of this announcement.

Pursuant to the Third Restatement Agreement, with effect from the date of the Third Restatement Agreement (i.e. 31 March 2010), the definition of the term “Undertaking Period” under the Amended Undertaking was amended to the effect that the Undertaking Period commenced on 18 June 2009 and ends on the first to occur of (i) 30 April 2010 and (ii) the date on which the Company, Grand Promise and the Noteholders have executed the Notes Restructuring Documents.

4. REASONS FOR ENTERING INTO THE SEVENTH AMENDMENT DEEDS AND THE THIRD RESTATEMENT AGREEMENT

The previous amendments to the Original Notes have allowed time for the Company and Grand Promise to seek financing for redemption. During this time, Grand Promise had redeemed the Original Notes partially. After the partial redemptions occurred prior to the date of this announcement, the aggregate outstanding principal amounts of the Original Notes together with interest accrued were reduced from approximately HK\$327,710,000 on 3 July 2009 to approximately HK\$106,776,000 as at 25 February 2010 (being the date of the Sixth Amendment Deeds) and were further reduced to approximately HK\$79,575,000 as at the date of this announcement.

The entry into of the Seventh Amendment Deeds and the Third Restatement Agreement allows time for the Company, Grand Promise and the Noteholders to continue the negotiation on restructuring and/or repayment of all amounts outstanding under the Current Notes and to also allow the Company to seek potential refinancing of those amounts (including with third parties other than Evolution and Liberty Harbor). After taking into account these factors and considerations, the Directors (including the independent non-executive Directors) consider that the terms of the Seventh Amendment Deeds and the Third Restatement Agreement are fair and reasonable, on normal commercial terms and in the interest of the CVG Group and the shareholders of the Company as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meaning:

“Amended Evolution Note”	the Original Evolution Note as amended by the First Evolution Amendment Deed, the Second Evolution Amendment Deed, the Third Evolution Amendment Deed, the Fourth Evolution Amendment Deed, the Fifth Evolution Amendment Deed and the Sixth Evolution Amendment Deed
“Amended Liberty Note”	the Original Liberty Note as amended by the First Liberty Amendment Deed, the Second Liberty Amendment Deed, the Third Liberty Amendment Deed, the Fourth Liberty Amendment Deed, the Fifth Liberty Amendment Deed and the Sixth Liberty Amendment Deed
“Amended Notes”	collectively the Amended Evolution Note and the Amended Liberty Note
“Amended Undertaking”	the Original Undertaking as amended and restated by the Previous Undertaking Amendment Agreements, the First Restatement Agreement and the Second Restatement Agreement
“Aptus”	Aptus Holdings Limited, an indirect non wholly-owned subsidiary of the Company and, for the purpose of this announcement, includes its subsidiaries
“Current Evolution Note”	the Original Evolution Note as amended by the First Evolution Amendment Deed, the Second Evolution Amendment Deed, the Third Evolution Amendment Deed, the Fourth Evolution Amendment Deed, the Fifth Evolution Amendment Deed, the Sixth Evolution Amendment Deed and the Seventh Evolution Amendment Deed, the outstanding principal amount of which being US\$3,114,000 (equivalent to approximately HK\$24,134,000) as at the date of this announcement

“Current Liberty Note”	the Original Liberty Note as amended by the First Liberty Amendment Deed, the Second Liberty Amendment Deed, the Third Liberty Amendment Deed, the Fourth Liberty Amendment Deed, the Fifth Liberty Amendment Deed, the Sixth Liberty Amendment Deed and the Seventh Liberty Amendment Deed, the outstanding principal amount of which being US\$4,850,000 (equivalent to approximately HK\$37,588,000) as at the date of this announcement
“Current Notes”	collectively the Current Evolution Note and the Current Liberty Note
“Fifth Amendment Deeds”	collectively the Fifth Evolution Amendment Deed and the Fifth Liberty Amendment Deed
“Fifth Evolution Amendment Deed”	the fifth amendment deed dated 13 January 2010 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“Fifth Liberty Amendment Deed”	the fifth amendment deed dated 13 January 2010 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“Fifth Undertaking Amendment Agreement”	the fifth amendment and undertaking agreement dated 22 September 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking
“First Amendment Deeds”	collectively the First Evolution Amendment Deed and the First Liberty Amendment Deed
“First Evolution Amendment Deed”	the amendment deed dated 17 June 2009 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“First Liberty Amendment Deed”	the amendment deed dated 17 June 2009 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“First Restatement Agreement”	the amendment and restatement agreement dated 13 January 2010 between the Company, Grand Promise, Liberty Harbor and Evolution amending and restating the Original Undertaking

“First Undertaking Amendment Agreement”	the amendment and undertaking agreement dated 15 July 2009 between the Company, Grand Promise, Evolution and Liberty Harbor amending the Original Undertaking
“Fourth Amendment Deeds”	collectively the Fourth Evolution Amendment Deed and the Fourth Liberty Amendment Deed
“Fourth Evolution Amendment Deed”	the fourth amendment deed dated 30 October 2009 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“Fourth Liberty Amendment Deed”	the fourth amendment deed dated 30 October 2009 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“Fourth Undertaking Amendment Agreement”	the fourth amendment and undertaking agreement dated 14 September 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking
“Noteholders”	holders of the Original Notes (as amended from time to time) from time to time, being Evolution and Liberty Harbor as at the date of this announcement
“Original Evolution Note”	the senior convertible redeemable note dated 30 November 2007 in the original principal amount of US\$10,000,000 issued by Grand Promise to Evolution the maturity date of which is 30 November 2012
“Original Liberty Note”	the senior convertible redeemable note dated 30 November 2007 in the original principal amount of US\$25,000,000 issued by Grand Promise to Liberty Harbor the maturity date of which is 30 November 2012
“Original Notes”	collectively the Original Evolution Note and the Original Liberty Note
“Original Undertaking”	the undertaking agreement dated 17 June 2009 between the Company, Grand Promise, Evolution and Liberty Harbor

“Previous Undertaking Amendment Agreements”	collectively the First Undertaking Amendment Agreement, the Second Undertaking Amendment Agreement, the Third Undertaking Amendment Agreement, the Fourth Undertaking Amendment Agreement, the Fifth Undertaking Amendment Agreement, the Sixth Undertaking Amendment Agreement and the Seventh Undertaking Amendment Agreement
“Second Amendment Deeds”	collectively the Second Evolution Amendment Deed and the Second Liberty Amendment Deed
“Second Evolution Amendment Deed”	the second amendment deed dated 4 August 2009 between the Company, Grand Promise and Evolution further amending the Original Evolution Note
“Second Liberty Amendment Deed”	the second amendment deed dated 4 August 2009 between the Company, Grand Promise and Liberty Harbor further amending the Original Liberty Note
“Second Restatement Agreement”	the second amendment and restatement agreement dated 25 February 2010 between the Company, Grand Promise, Liberty Harbor and Evolution further amending and restating the Original Undertaking
“Second Undertaking Amendment Agreement”	the second amendment and undertaking agreement dated 4 August 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking
“Seventh Amendment Deeds”	collectively the Seventh Evolution Amendment Deed and the Seventh Liberty Amendment Deed
“Seventh Evolution Amendment Deed”	the seventh amendment deed dated 31 March 2010 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“Seventh Liberty Amendment Deed”	the seventh amendment deed dated 31 March 2010 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“Seventh Undertaking Amendment Agreement”	the seventh amendment and undertaking agreement dated 30 October 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking

“Sixth Amendment Deeds”	collectively the Sixth Evolution Amendment Deed and the Sixth Liberty Amendment Deed
“Sixth Evolution Amendment Deed”	the sixth amendment deed dated 25 February 2010 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“Sixth Liberty Amendment Deed”	the sixth amendment deed dated 25 February 2010 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“Sixth Undertaking Amendment Agreement”	the sixth amendment and undertaking agreement dated 29 September 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking
“Third Amendment Deeds”	collectively the Third Evolution Amendment Deed and the Third Liberty Amendment Deed
“Third Evolution Amendment Deed”	the third amendment deed dated 22 September 2009 between the Company, Grand Promise and Evolution amending the Original Evolution Note
“Third Liberty Amendment Deed”	the third amendment deed dated 22 September 2009 between the Company, Grand Promise and Liberty Harbor amending the Original Liberty Note
“Third Restatement Agreement”	the third amendment and restatement agreement dated 31 March 2010 between the Company, Grand Promise, Liberty Harbor and Evolution further amending and restating the Original Undertaking
“Third Undertaking Amendment Agreement”	the amendment and undertaking agreement dated 28 August 2009 between the Company, Grand Promise, Evolution and Liberty Harbor further amending the Original Undertaking

For the purposes of illustration, amounts in this announcement expressed in the United States dollars have been translated into Hong Kong dollars at the rate of US\$1.00 = HK\$7.75.

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 March 2010

As at the date of this announcement, the board of directors of the Company comprises five executive directors, being Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Mr. Chan Ting, Ms. Chan Siu Sarah and Mr. Lau Hin Kun; and three independent non-executive directors, being Mr. Tian He Nian, Mr. Zhang Xiu Fu 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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*