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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)

## **DISCLOSEABLE TRANSACTION IN RELATION TO PLACING OF THE EXISTING SHARES IN APTUS HOLDINGS LIMITED**

### **PLACING AGENT**



**VC BROKERAGE LIMITED**  
**滙盈證券有限公司**

The Board announces that on 13 April 2010 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Third Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 280,000,000 Third Placing Shares on behalf of the Vendor to independent Placees at the price of not less than HK\$0.28 per Third Placing Share.

On 14 December 2009, the Vendor entered into the First Placing Agreement with an independent placing agent to place, on a best effort basis, up to 120,000,000 Aptus Shares to independent placees at the price of HK\$0.25 per Aptus Share. The First Placing was completed on 16 December 2009.

On 19 February 2010, the Vendor entered into the Second Placing Agreement with the Placing Agent to place, on a best efforts basis, up to 140,000,000 Aptus Shares to independent placees at the price of HK\$0.28 per Aptus Share. The Second Placing was completed on 25 February 2010.

During the period from 30 March 2010 to 9 April 2010, the Vendor disposed an aggregate of 11,150,000 Aptus Shares on the open market of the Stock Exchange for a total consideration of approximately HK\$2,917,000 (excluding stamp duties and related expenses).

As the applicable ratios for the Third Placing, the Second Placing, the First Placing and the Open Market Disposals are more than 5% but less than 25%, the Third Placing, the Second Placing, the First Placing and the Open Market Disposals in aggregate constitute a discloseable transaction of the Company pursuant to Rule 19.06 of the GEM Listing Rules.

On completion of the Third Placing, assuming the full placing of the Third Placing Shares, and assuming there is no further change to the issued share capital of Aptus, the Company will continue to hold indirectly 420,596,428 Aptus Shares representing approximately 20.38% of the entire issued share capital of Aptus as at the date of this announcement. Aptus will continue to be an indirect non-wholly owned subsidiary of the Company as the Company still has effective control of the board of directors of Aptus and the power to appoint the majority board seats in Aptus. Upon the Company losing its control to govern the financial and operating policies of Aptus (due to the fact that the Company cannot maintain majority board seats in Aptus), Aptus will cease to be an indirect non wholly-owned subsidiary of the Company.

## **THE THIRD PLACING AGREEMENT**

Date: 13 April 2010 (after trading hours)

### **Parties:**

1. The Placing Agent; and
2. The Vendor

The Directors (including the independent non-executive Directors) confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Vendor is an indirect wholly-owned subsidiary of the Company.

### **The Third Placing**

Pursuant to the Third Placing Agreement, the Placing Agent has agreed to place by way of a private placing, on a best effort basis, up to 280,000,000 Third Placing Shares on behalf of the Vendor to independent Placees.

The Placing Agent shall be entitled to place part of the Third Placing Shares in multiple occasions (each a Transaction Date) within the Placing Period in accordance with the procedures set out in the Third Placing Agreement, provided always that the total number of the Third Placing Shares to be placed on each Transaction Date shall not be less than 30,000,000 Third Placing Shares.

Subject to the requirements of the GEM Listing Rules and the Takeovers Code, the Placing Agent shall use their reasonable endeavours (with the assistance of the Company) to ensure that the Placees for the Third Placing and their respective ultimate beneficial owners shall not be any of the Excluded Persons (see below) and shall not be parties acting in concert with the Vendor for the purpose of the Takeovers Code, and none of the Placees shall be offered such number of Third Placing Shares so as to hold more than 10% of the entire issued share capital of Aptus immediately after completion of the Third Placing.

The Excluded Persons include the following persons and their respective associates:

- (1) Red Rabbit or Mr. Kong;
- (2) the connected persons of the Company; and
- (3) the connected persons of Aptus.

Pursuant to the Third Placing Agreement, the Placing Agent will receive a placing commission for the Third Placing equivalent to 1.5% of the amount equal to the placing price multiplied by the number of Third Placing Shares successfully placed by the Placing Agent, such sum shall be payable upon each Completion Date. The net proceeds of the Third Placing will be payable to the Company or as the Vendor may direct upon completion of each part of the Third Placing.

The placing commission was arrived at after arm's length negotiations between the Vendor and the Placing Agent. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

### **The Third Placing Shares**

The Third Placing Shares in aggregate represent approximately 13.57% of the total issued share capital of Aptus as of the date of this announcement.

Assuming that all the Aptus Shares to be placed pursuant to the Third Placing Agreement are fully placed and on the basis of 2,063,671,428 Aptus Shares in issue as at the date of this announcement, upon completion of the Third Placing, the Company's indirect interests in Aptus will be reduced from 700,596,428 Aptus Shares as of 12 April 2010, representing approximately 33.95% of the total issued share capital of Aptus to 420,596,428 Aptus Shares, representing approximately 20.38% of the entire issued share capital of Aptus. As of the date of this announcement, Aptus will continue to be

an indirect non wholly-owned subsidiary of the Company as the Company still have the power to govern the financial and operating policies of Aptus (due to the fact that the Company still have effective control of the board of directors of Aptus and the power to appoint the majority board seats in Aptus) for the time being. Upon the Company losing its control to govern the financial and operating policies of Aptus (due to the fact that the Company cannot maintain majority board seats in Aptus), Aptus will cease to be an indirect non wholly-owned subsidiary of the Company.

Based on the price of HK\$0.28 per Third Placing Share, the total gross proceeds for the Third Placing would amount to HK\$78,400,000.

The net loss attributable from continuing operations to the Third Placing Shares were (i) approximately HK\$8,515,000 (before taxation and extraordinary items) and approximately HK\$8,515,000 (after taxation and extraordinary items) for the financial year ended 30 June 2008 and (ii) approximately HK\$6,645,000 (before taxation and extraordinary items) and approximately HK\$6,645,000 (after taxation and extraordinary items) for the financial year ended 30 June 2009. As Aptus' accounts are fully consolidated into the accounts of the Group, these calculations are for information only.

### **The Price**

Pursuant to the Third Placing Agreement, the Placing Agent has agreed to place by way of a private placing, on a best effort basis, up to 280,000,000 Third Placing Shares on behalf of the Vendor at the price of not less than HK\$0.28 per Third Placing Share and represents:

- (i) a premium of approximately 5.66% over the closing price of HK\$0.2650 per Aptus Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.26% over the average closing prices of HK\$0.2650 per Aptus Share as quoted on the Stock Exchange for the last 5 trading days including the Last Trading Day; and
- (iii) a premium of approximately 6.67% over the average closing prices of HK\$0.2625 per Aptus Share as quoted on the Stock Exchange for the last 10 trading days including the Last Trading Day.

The placing price was determined after arm's length negotiations between the Vendor and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Third Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Group and the Shareholders as a whole.

## **The Completion**

Completion of each of the part of the Third Placing will take place by no later than 4:00 p.m. on or before the Transaction Date for each of the part of the Third Placing or such other date as may be agreed between the Vendor and the Placing Agent. The net proceeds in immediately available funds will be paid to the Company or as the Vendor may direct on the Completion Date for the relevant Third Placing Shares so placed.

The Third Placing Shares, when sold by the Vendor, will be free from all encumbrances and together with all rights attaching to them as of the Completion Date, including the right to receive all dividends declared, made or paid on or after the Completion Date.

## **Termination of the Third Placing Agreement**

The Placing Agent may terminate the Third Placing Agreement without any liability to the Vendor, by notice in writing to the Vendor at any time before the delivery of the Schedule for the Third Placing to the Vendor pursuant to the Third Placing Agreement and prior to the expiry of the Placing Period, upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions, affairs or prospects of the Vendor, the Company, or Aptus taken as a whole or the success of the Third Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Third Placing on the terms and in the manner contemplated in the Third Placing Agreement:

- (a) there develops, occurs or comes into force:
  - (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
  - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (iii) any material change in conditions of local, national or international securities markets occurs; or
  - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Third Placing; or

- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
  - (vi) any litigation or claim being instigated against the Vendor, the Company, Aptus or any member of their respective group companies; or
- (b) any material breach of any of the representations, warranties and undertakings by the Vendor set out in the Third Placing Agreement or any event occurs or any matter arises on or after the date hereof and prior to the completion date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of its undertakings or any other provision of the Third Placing Agreement; or
- (c) there is any adverse change in the financial position of the Vendor, the Company or Aptus which is material in the context of the Third Placing;

then and in any such case, the Placing Agent may terminate the Third Placing Agreement without liability to the Vendor by giving notice in writing to the Vendor provided that such notice is received prior to 9:30 a.m. prior to the delivery of the Schedule to the Vendor pursuant to the Third Placing Agreement and prior to the expiry of the Placing Period.

If for any reason the Third Placing Agreement is terminated (whether upon expiry of the Placing Period or upon the giving of notice by the Placing Agent pursuant to the above), the Placing Agent shall as soon as practicable thereafter return to the Vendor the remaining Third Placing Shares not successfully placed pursuant to the terms of the Third Placing Agreement at the cost of the Vendor, and subject thereto all obligations of each of the parties under the Third Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Third Placing Agreement except for any antecedent breach of any obligation under the Third Placing Agreement prior to such termination and the Vendor obligation to pay the reasonable expenses incurred by the Placing Agent in connection with the Third Placing and to indemnify the Placing Agent of all reasonable costs in connection with the Third Placing

#### **INFORMATION ON THE GROUP**

The Group is principally engaged in (1) development and operation of technology platforms for intellectual property (“IP”) protection, collection of copyright (royalty/license) fees on behalf of IP owners and the provision of value-added services in the entertainment sector in the PRC; (2) lottery-related businesses in the PRC; (3) distribution of natural supplementary products and food related and other operations; and (4) trading business.

## INFORMATION ON THE APTUS GROUP

Aptus' principal activity is the trading and distribution of edible oil and mineral materials via its non-listed Singapore subsidiary. While expanding the existing trading business, Aptus has been exploring new business opportunities to enhance business growth. On 19 March 2010, the Aptus Group entered into a supplemental agreement to amend certain terms and conditions of the sale and purchase agreement dated 20 November 2009 in relation to the acquisition of the entire issued share capital of Casdon Management Limited. For further details, please refer to the joint announcements issued by Aptus and the Company on 1 December 2009 and 19 March 2010 respectively.

## FINANCIAL INFORMATION OF APTUS

As disclosed in the interim report of Aptus for the six months ended 31 December 2009, the unaudited consolidated net assets of Aptus Group as at 31 December 2009 was approximately HK\$128,895,000.

As disclosed in the annual report of Aptus for the year ended 30 June 2009, the audited consolidated net liabilities of Aptus Group as at 30 June 2009 was approximately HK\$86,729,000.

As disclosed in the annual report of Aptus for the year ended 30 June 2009, set out below is the audited net loss before and after tax of the Aptus Group from continuing operations for the two financial years ended 30 June 2008 and 2009; and, as disclosed in the interim report of Aptus for the six months ended 31 December 2009, set out below is the unaudited net loss before and after tax of the Aptus Group from continuing operations for the six months ended 31 December 2009:

	<b>For the six months ended 31 December 2009</b>	<b>For the year ended 30 June</b>	
	<i>HK\$'000</i>	<b>2009</b>	<b>2008</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before tax	33,431	41,835	53,048
Loss after tax	33,431	41,835	53,051

## REASONS FOR AND BENEFITS OF THE THIRD PLACING

The Third Placing would raise gross proceeds of approximately HK\$78,400,000, enabling the Group to reduce its debt and interest charges and bolster its working capital thereby strengthening the Group's overall financial position.

Based on the above, the Directors (including the independent non-executive Directors) believe that the Third Placing is fair and reasonable and in the interest of the Group and the Shareholders as a whole.

### **FINANCIAL EFFECT OF THE THIRD PLACING**

Based on the price of HK\$0.28 per Third Placing Share, the total gross proceeds for the Third Placing would amount to HK\$78,400,000. The Directors expect that the net proceeds from the Third Placing will be used to retire debt and as general working capital of the Group.

The book value of the Third Placing Shares is approximately HK\$5,712,000 as at 13 April 2010. Assuming the Third Placing Shares are placed in full at the price of HK\$0.28 per Third Placing Share, the Third Placing will have the effect of increasing the asset value of the Group by the amount of approximately HK\$53,834,000, being the net proceeds less the book value of the Third Placing Shares and share of the net asset value of Aptus and will report an expected gain of approximately HK\$53,834,000 based on the net asset value of Aptus of approximately HK\$128,895,000 as at 31 December 2009. The actual gain on disposal may be different on the date of completion of the Third Placing.

On completion of the Third Placing, assuming full placing of the Third Placing Shares, and assuming there is no further change to the issued share capital of Aptus, the Company will continue to hold indirectly 420,596,428 Aptus Shares representing approximately 20.38% of the entire issued share capital of Aptus as at the date of this announcement. Aptus will continue to be an indirect non-wholly owned subsidiary of the Company as the Company still has effective control of the board of directors of Aptus and the power to appoint the majority board seats in Aptus. Upon the Company losing its control to govern the financial and operating policies of Aptus (due to the fact that the Company cannot maintain majority board seats in Aptus), Aptus will cease to be an indirect non wholly-owned subsidiary of the Company.

### **GENERAL**

As set out in the December Announcement, on 14 December 2009, the Vendor entered into the First Placing Agreement with an independent placing agent to place, on a best effort basis, up to 120,000,000 Aptus Shares of the Vendor to independent placees at the price of HK\$0.25 per Aptus Share. The total gross proceeds for the First Placing amounted to approximately HK\$30,000,000. The First Placing was completed on 16 December 2009.

As set out in the February Announcement, on 19 February 2010, the Vendor entered into the Second Placing Agreement with the Placing Agent to place, on a best efforts basis, up to 140,000,000 Aptus Shares to independent placees at the price of HK\$0.28 per Aptus Share. The Second Placing was completed on 25 February 2010.

During the period from 30 March 2010 to 9 April 2010, the Vendor disposed an aggregate of 11,150,000 Aptus Shares on the open market of the Stock Exchange for a total consideration of approximately HK\$2,917,000 (excluding stamp duties and related expenses).

As the applicable ratios for the Third Placing, the Second Placing, the First Placing and the Open Market Disposals are more than 5% but less than 25%, the Third Placing, the Second Placing, the First Placing and the Open Market Disposals in aggregate constitute a discloseable transaction of the Company pursuant to Rule 19.06 of the GEM Listing Rules.

## **DEFINITIONS**

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

“Aptus”	Aptus Holdings Limited (問博控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Aptus Group”	Aptus and its subsidiaries
“Aptus Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of Aptus
“associates”	has the meaning as defined in the GEM Listing Rules
“Business Day”	any day (excluding Saturday, Sunday and public holidays) on which banks are generally open for business in Hong Kong
“Company”	China Vanguard Group Limited (眾彩科技股份有限公司*), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Completion Date”	two Business Days after the Transaction Date
“connected persons”	has the meaning as defined in the GEM Listing Rules
“December Announcement”	announcement of the Company dated 16 December 2009
“Directors”	directors of the Company

“Excluded Persons”	The following persons and their respective associates:  <ol style="list-style-type: none"> <li>(1) Red Rabbit or Mr. Kong;</li> <li>(2) the connected persons of the Company; and</li> <li>(3) the connected persons of Aptus</li> </ol>
“February Announcement”	announcement of the Company dated 19 February 2010
“First Placing”	the placing of up to 120,000,000 Aptus Shares by the Vendor to independent placees at a price of HK\$0.25 per Aptus Share pursuant to the First Placing Agreement
“First Placing Agreement”	the placing agreement in relation to the First Placing dated 14 December 2009 entered into between The Vendor and an independent placing agent
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	13 April 2010, being the date of the Third Placing Agreement and the date on which the terms of the Third Placing were fixed
“Mr. Kong”	Mr. Kong Lung Cheung, being the guarantor, under the sale and purchase agreement dated 20 November 2009 as supplemented by a supplemental agreement dated 19 March 2010 respectively, details of which are set out in the joint announcements of the Company and Aptus dated 1 December 2009 and 19 March 2010 respectively
“Open Market Disposals”	the disposal of an aggregate of 11,150,000 Aptus Shares by the Vendor on the open market of the Stock Exchange during the period from 30 March 2010 to 9 April 2010

“Placees”	subject to the requirements of the GEM Listing Rules and the Takeovers Code, any person or entity and its respective ultimate beneficial owners who shall not be any of the Excluded Persons and shall not be parties acting in concert with the Vendor for the purpose of the Takeovers Code, and none of the Placees shall be offered such number of Placing Shares so as to hold more than 10% of the entire issued share capital of Aptus immediately after completion of the Third Placing
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Period”	the period commencing upon the execution of the Third Placing Agreement and terminating at 4:00 p.m. on 13 May 2010 unless terminated earlier pursuant to the terms of the Third Placing Agreement
“PRC”	the People’s Republic of China (excluding Taiwan, Hong Kong and Macau Special Administrative Region for the purpose of this announcement)
“Red Rabbit”	Red Rabbit Capital Limited, being the vendor under the sale and purchase agreement dated 20 November 2009 as supplemented by a supplemental agreement dated 19 March 2010 respectively, details of which are set out in the joint announcement of the Company and Aptus dated 1 December 2009 and 19 March 2010 respectively
“Second Placing”	the placing of up to 140,000,000 Aptus Shares by the Vendor to independent placees at a price of HK\$0.28 per Aptus Share pursuant to the Second Placing Agreement
“Second Placing Agreement”	the placing agreement in relation to the Second Placing dated 19 February 2010 entered into between the Vendor and an independent placing agent

“Schedule”	a schedule to be delivered by the Placing Agent to the Vendor showing details of the Third Placing including details of the Placees and the number of the Third Placing Shares subscribed by each Placee
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Repurchases
“Third Placing”	the placing of the Third Placing Shares on the terms and subject to the conditions set out in the Third Placing Agreement
“Third Placing Agreement”	the placing agreement dated 13 April 2010 entered into between the Vendor and the Placing Agent relating to the Third Placing
“Third Placing Shares”	up to 280,000,000 existing Aptus Shares to be placed by or on behalf of the Placing Agent as agent for the Vendor pursuant to the Third Placing Agreement
“Transaction Date”	any Business Day within the Placing Period where the Placing Shares will be placed to and subscribed by the Placees in accordance with the terms of the Third Placing Agreement
“Vendor”	Precise Result Profits Limited (a company incorporated in British Virgin Islands), a wholly-owned subsidiary of China Success Enterprises Limited and an indirect wholly-owned subsidiary of the Company

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, 13 April 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](http://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](http://www.cvg.com.hk).*

*\* for identification purposes only*