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CHINA VANGUARD GROUP LTD.
眾彩科技股份有限公司*
(incorporated in the Cayman Islands with limited liability)
(Stock code: 8156)



Yunbo Digital Synergy Group Limited
雲博產業集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 8050)

JOINT ANNOUNCEMENT ENTERING INTO A STRATEGIC COOPERATIVE AGREEMENT

This is a voluntary announcement jointly made by YBDS and CVG.

The board of directors of both YBDS and CVG are pleased to announce that Guangzhou YBDS and CVCM have entered into the Strategic Cooperative Agreement. Pursuant to the Strategic Cooperative Agreement, subject to the required approvals from the relevant authorities, Guangzhou YBDS and CVCM will make use of their capability in software and hardware development to connect and integrate POS terminals so that all CVG's lottery distribution points will be equipped with YBDS' non-cash online and offline payment system, including those on China Telecom's Bestpay platform (翼支付), in which can be used by mobile payment, contactless payment, payment by cards issued by China Unionpay (中國銀聯) and other financial institutions.

After entering into this strategic cooperation, YBDS Group and CVG Group will utilize their respective advantages in each of their specialized areas to enhance the competitiveness of their businesses. At the same time, the general public will be able to benefit from the easiness and consumer friendliness of non-cash payment clearance for lottery purchases and for full coverage of online and offline applications in the consumer sectors through CVG Group's lottery distribution points.

THE STRATEGIC COOPERATIVE AGREEMENT

The board of directors of both YBDS and CVG are pleased to announce that Guangzhou YBDS and CVCM have entered into the Strategic Cooperative Agreement.

* *For identification purposes only*

SUMMARY OF MAJOR TERMS

Pursuant to the Strategic Cooperative Agreement, subject to the required approvals from the relevant authorities, Guangzhou YBDS and CVCM will make use of their capability in software and hardware development to connect and integrate Point of Sales (“POS”) terminals so that all CVG’s lottery distribution points will be equipped with YBDS’ non-cash online and offline payment system, including those on China Telecom’s Bestpay platform (翼支付), in which can be used by mobile payment, contactless payment, payment by cards issued by China Unionpay (中國銀聯) and other financial institutions.

YBDS Group and CVG Group will each share a certain percentage of the revenue generated from the non-cash payment terminals equipped in CVG Group’s lottery distribution points. A further agreement setting out the details of commercial arrangement will be entered into between the parties in accordance with the progress of the development of the business .

BACKGROUND INFORMATION

YBDS is a company listed on the Stock Exchange. Its core business includes mobile payments, big data, unified communications, cloud computing, network security SDN, 4G new media, top-level network designs for e-finance platforms, and design, maintenance and operation back end support systems. YBDS also designs, develops, manufactures and operates leading products for mobile networks as well as online and offline payment services. YBDS is an innovative company being the first in the world to propose the new concept of providing services to the general public through the four-screen terminal network coverage. YBDS has a strong O2O commercial market and provides services to telecommunications services enterprises.

China Telecom’s Best platform, an online and offline payment platform which is provided by China Telecom Bestpay E-commerce Ltd* (天翼電子商務有限公司), a wholly owned subsidiary of China Telecom. China Telecom is a comprehensive information provider as well as the world’s largest fixed telecommunication, CDMA and broadband internet operator.

CVG Group is a comprehensive solutions and related services provider for both Welfare and Sports Lottery in China. Its core business consists of development of lottery-related hardware and software, provision of self-service lottery solutions and roll out of self-operated and franchise stores. The lottery business covers 18 provinces and regions. CVG group is one of the members of World Lottery Association.

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REASON FOR ENTERING INTO THE STRATEGIC COOPERATIVE AGREEMENT

After entering into this strategic cooperation, YBDS Group and CVG Group will utilize their respective advantages in each of their specialized areas to enhance the competitiveness of their businesses. At the same time, the general public will be able to benefit from the easiness and consumer friendliness of non-cash payment clearance for lottery purchases and for full coverage of online and offline applications in the consumer sectors through CVG Group's lottery distribution points.

The board of directors of both YBDS and CVG will strive to make use of their respective existing and potential customer base to enlarge market shares and realize the untapped potential in these business opportunities. The Strategic Cooperative Agreement has been entered into in the ordinary course of business and on normal commercial terms after arm's length negotiations. The board of directors of both YBDS and CVG are of the view that the terms of the Strategic Cooperative Agreement are fair and reasonable and in the interests of YBDS and CVG and their respective shareholders as a whole.

To the best knowledge, information and belief of the board of directors of YBDS, CVG and its shareholders are third parties independent of the YBDS and are not its connected persons as defined under the GEM listing rules.

To the best knowledge, information and belief of the board of directors of CVG, YBDS and its shareholders are third parties independent of the CVG and are not its connected persons as defined under the GEM listing rules.

The board of directors of both YBDS and CVG jointly make this announcement on a voluntary basis.

DEFINITIONS

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

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| “China” | the People's Republic of China (excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region of China, the Macao Special Administrative Region of China, and Taiwan); |
| “China Telecom” | China Telecom Corporation Limited* (中國電信股份有限公司), a company incorporated in China, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0728); |

* *For identification purposes only*

“CVCM”	China Vanguard Corporate Management Limited, a company incorporated in the Hong Kong Special Administrative Region of China and a direct wholly-owned subsidiary of CVG;
“CVG”	China Vanguard Group Limited, a company incorporated in Cayman Islands; and the shares of which are listed on GEM of the Stock Exchange (stock code: 08156);
“CVG Group”	CVG and its subsidiaries from time to time;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Guangzhou YBDS”	Guangzhou YBDS IT Co., Ltd.* (廣州韻博信息科技有限公司), a company incorporated in China, and an indirect wholly-owned subsidiary of YBDS;
“Strategic Cooperative Agreement”	The strategic cooperative agreement entered into between CVCM and Guangzhou YBDS;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“YBDS”	Yunbo Digital Synergy Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM of the Stock Exchange (stock code: 08050);
“YBDS Group”	YBDS and its subsidiaries from time to time.

By Order of the Board
China Vanguard Group Limited
眾彩科技股份有限公司*
CHAN Ting
Executive Director

By Order of the Board
Yunbo Digital Synergy Group Limited
雲博產業集團有限公司
Yau Hoi Kin
Executive Director

Hong Kong, 31 August 2014

As at the date of this announcement, the executive directors of Yunbo Digital Synergy Group Limited are Mr. Wang Chaoyong, Mr. Yau Hoi Kin, Mr. Kwong Wai Ho Richard and Dr. Huang Youmin; the non-executive director of Yunbo Digital Synergy Group Limited is Mr. Hsu Chia-Chun; and the independent non-executive directors of Yunbo Digital Synergy Group Limited are Dr. Chow Ka Ming, Jimmy, Dr. Wong Wing Lit, Mr. Ngan Yu Loong and Mr. Tse Yee Hin, Tony.

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As at the date of this announcement, the board of directors of China Vanguard Group Limited comprises Madam Cheung Kwai Lan and 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 of both Yunbo Digital Synergy Group Limited and China Vanguard Group Limited 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 Yunbo Digital Synergy Group Limited and China Vanguard Group Limited. The directors of both Yunbo Digital Synergy Group Limited and China Vanguard Group Limited, 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 posting and on the website of the Yunbo Digital Synergy Group Limited and China Vanguard Group Limited, at www.ybds.com.hk and www.cvg.com.hk respectively.