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眾 彩 羽 翔 股 份 有 限 公 司
China Vanguard You Champion Holdings Limited
(Formerly known as China Vanguard Group Limited)

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8156

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF 25% OF THE EQUITY INTERESTS IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

THE ACQUISITION

On 5 June 2019 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreement pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, which represents 25% of the equity interests in the Target Company, for a consideration of HK$50 million, which will be settled by the allotment and issue of the Consideration Shares by the Company to the Vendors under the general mandate at the issue price of approximately HK$0.240 per Consideration Share. The Consideration Shares represent (i) approximately 5.07% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, subject to the Completion and assuming that there will be no change in the issued share capital of the Company save for the allotment and issue of the Consideration Shares.

As at the date of this announcement, Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung, holding 66.5%, 19%, 9.5% and 5% respectively of the issued share capital of the Target Company (i.e. 665, 190, 95 and 50 shares respectively), being the Vendors, will sell to the Purchaser 166, 48, 24 and 12 shares in proportion they holds respectively in the Target Company. Upon the Completion, the equity interests of the Target Company will be legally and beneficially owned as to 25% by the Group and hence the Target Company will become an associated company of the Company and the financial results of which will not be consolidated into the consolidated financial statements of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 19 of the GEM Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the general mandate. As none of the Directors has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares under the general mandate), no Director had abstained from voting on the relevant resolution of the Board approving the Acquisition.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As the Completion is subject to satisfaction or waiver (as the case may be) of the conditions precedent to the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

INTRODUCTION

On 5 June 2019 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreement, details of the principal terms of which are set out below:

THE ACQUISITION

Parties

Purchaser:	China Vanguard Corporate Management Limited (眾彩企業管理有限公司), a wholly-owned subsidiary of the Company
Vendors:	Ms. Choi, holding 66.5% equity interests in the issued share capital of the Target Company, being 665 shares
	Ms. Kong, holding 19% equity interests in the issued share capital of the Target Company, being 190 shares
	Mr. Lau, holding 9.5% equity interests in the issued share capital of the Target Company, being 95 shares
	Mr. Cheung, holding 5% equity interests in the issued share capital of the Target Company, being 50 shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendors and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, which represents 25% of the equity interests in the Target Company.

As at the date of this announcement, Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung, holding 66.5%, 19%, 9.5% and 5% respectively of the issued share capital of the Target Company (i.e. 665, 190, 95 and 50 shares respectively), being the Vendors, will sell to the Purchaser 166, 48, 24 and 12 shares in proportion they holds respectively in the Target Company. Upon the Completion, the equity interests of the Target Company will be legally and beneficially owned as to 25% by the Group and hence the Target Company will become an associated company of the Company and the financial results of which will not be consolidated into the consolidated financial statements of the Group.

Consideration

The Consideration for the Sale Shares is HK$50 million, which shall be satisfied wholly by the allotment and issue of 208,400,000 Consideration Shares, credited as fully paid, to the Vendors at the issue price of approximately HK$0.240 per Consideration Share within 30 trading days following the Completion. The Purchaser will procure the Company to allot and issue 138,586,000, 39,596,000, 19,798,000 and 10,420,000 Consideration Shares to the Vendors, namely Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung respectively according to the proportion of the Vendors' shareholding in the Target Company.

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendors taking into consideration (i) geographical distribution of the business; (ii) distributorship of services based on patented products and technology; (iii) healthcare products and their sales channels; (iv) future business development plans and prospects; (v) historical transaction of the Target Group; (vi) industry prospects; (vii) brand names owned; and (viii) benefits to be derived by the Group from the Acquisition as described under the paragraph headed "Reasons for and benefits of the Acquisition" in this announcement.

Consideration Shares

The issue price of approximately HK$0.240 per Consideration Share represents:

(i) a premium of approximately 2.13% to the closing price of HK$0.235 per Share as quoted on the Stock Exchange on 5 June 2019, being the date of the Sale and Purchase Agreement; and

(ii) a premium of approximately 6.67% to the average closing price of HK$0.225 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The issue price per Consideration Share was arrived at upon arm's length negotiation between the Purchaser and the Vendors with reference to the prevailing market price of the Shares.

The Consideration Shares represent (i) approximately 5.07% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares, subject to the Completion and assuming that there will be no change in the issued share capital of the Company save for the allotment and issue of the Consideration Shares. The aggregate nominal value of the Consideration Shares is HK$2,605,000.

The Consideration Shares will be allotted and issued pursuant to the general mandate and shall, on the date of allotment and issue, rank *pari passu* in all respects with the Shares in issue.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Lock-up of the Consideration Shares

The Vendors undertake to the Company that, none of the Consideration Shares, upon the allotment and issue to the Vendors, can be sold, transferred or the subject of any collateral within a period of six months from the date of allotment and issue thereof in accordance with the terms and conditions of the Sale and Purchase Agreement.

Conditions precedent

The Completion of the sale and purchase of the Sale Shares shall be conditional upon fulfilment of the following conditions precedent:

(i) there being no material adverse change to the operation and financial data and financial statements and other relevant contents of the Target Group from the end date of the latest accounts of the Target Company to the Completion;

(ii) the Purchaser being satisfied with the results of the due diligence review of the Target Group, including but not limited to financials, laws, regulations, business and market survey;

(iii) the registration of ownership of the Sale Shares being changed to the Purchaser by the Vendors;

(iv) a designated person being appointed from the Group to become the director of the Target Company and of Kenford Medical Group Company Limited, and the alteration registration procedures according to the relevant laws and regulations of the location of the Target Company and of Kenford Medical Group Company Limited being legally completed;

(v) all necessary approvals and authorisations in connection with the Sale and Purchase Agreement having been obtained by the Purchaser;

(vi) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;

(vii) all necessary authorisations in connection with the Sale and Purchase Agreement having been obtained by the Vendors (including but not limited to the authorisation for the transfer of the Sale Shares); and

(viii) the warranties given by the Vendors in accordance with the terms and conditions as set out in the Sale and Purchase Agreement remaining true and accurate and not misleading from the date of the Sale and Purchase Agreement to the Completion.

The Vendors and the Purchaser may at any time waive any or all of the above conditions precedent to the Sale and Purchase Agreement (save for conditions (i) to (vi) as set out above). In the event that any of the above conditions precedent (except for those being waived, if any) is not fulfilled on or before the Long Stop Date (or such other date as the Purchaser and the Vendors may agree in writing), the Sale and Purchase Agreement shall be terminated and be of no further effect.

Completion

The Completion shall take place within 15 business days following the fulfilment (or waiver, as the case may be) of all the conditions precedent to the Sale and Purchase Agreement, whereupon the Vendors shall, among others, submit to the Purchaser the documents showing the registration of change of ownership of the Sale Shares to the Purchaser and the financial statements of the Target Group as at the date of the Completion.

Information of the Vendors

The Vendors are the legal and beneficial owners of the Sale Shares, of which Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung hold 66.5%, 19%, 9.5% and 5% of the Sale Shares respectively.

Information of the Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company.

Information on the Target Group

As at the date of this announcement, the Target Company, being legally and beneficially owned as to 66.5%, 19%, 9.5% and 5% by the Vendors, namely Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung respectively, is an investment holding company incorporated in the BVI. The Target

Company holds 100% of the equity interests in the Kenford Medical Group Company Limited.

Kenford Medical Group Company Limited is a company incorporated in Hong Kong with limited liability on 21 June 2016, which is one of the largest modernized Chinese medical clinic groups in Hong Kong. Kenford Medical Group Company Limited provides one-stop comprehensive medical and health services through its 4 different brands, including "Kenford Medical", "Wong Cheung Wah", "Hong Kong Expert Medical Center" and "Cardiax Lab". At of the date of this announcement, the Kenford Medical Group Company Limited operates 19 modernized Chinese medical clinics in Hong Kong, of which 3 are under the well-known brand in Foshan namely "Wong Cheung Wah" (黃祥華). The Kenford Medical Group Company Limited adopted traditional Chinese medical diagnostic method "望 (Inspection), 聞 (Listening and Smelling), 問 (Inquiry), and 切 (Pulsing-taking)" and provides comprehensive clinical Chinese medical services (including but not limited to outpatient, acupuncture, bone-setting, cupping, Chinese herbal dressing, etc.). In addition, the Kenford Medical Group Company Limited operates a flagship intelligent heart examination center "Cardiax Lab" in Lan Kwai Fong, Central, which introduces and uses FDA-approved equipment and technology to provide customers with professional, reliable and comprehensive non-invasive cardiovascular diagnosis and management.

Set out below is a summary of the unaudited consolidated financial information of the Target Group for the years ended 31 March 2019 and 31 March 2018.

	For the year ended 31 March 2019 *(Note 1)* (HK$'000) (unaudited)	**For the year ended 31 March 2018** *(Note 2)* (HK$'000) (unaudited)
Revenue	14,048	7,189
Net loss before taxation and extraordinary items	614	1,237
Net loss after taxation and extraordinary items	614	1,237
Net assets	7,146	504

Notes:
1. *As extracted from the unaudited consolidated financial information of the Target Group for the year ended 31 March 2019.*
2. *As extracted from the unaudited consolidated financial information of the Target Group for the year ended 31 March 2018.*

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the provision of lottery-related services; (ii) the provision of Internet Plus solution services; and (iii) other services (including catering services and consulting services). With the advantage of an excellent R&D team and ample industry experience, the Group has been applying the relevant "Internet Plus" solutions into multiple market segments, including government affairs, leasing, public security, healthcare, lottery, tourism and education. Since 2017, the Group has been exploring development opportunities in the healthcare area including a "Comprehensive Healthcare Platform" based on "Internet Plus" technologies, which is a one-stop smart healthcare platform combining both online and offline functions.

Upon the Completion, the equity interests of the Target Company will be legally and beneficially owned as to 25% by the Group and hence the Target Company will become an associated company of the Company and the financial results of which will not be consolidated into the consolidated financial statements of the Group.

In terms of Target Group's clinic business, clinics' geographical distribution network has been strategically orientated with careful deployment targeting specific customer segments, resulting in a swift development of the business. Clients have already shown sound loyalty to the Target Group's clinics. The heart performance examination services provided is based on patented products and technology which could generate a wide range of health parameters for customers to monitor their heart and vascular conditions in a non-invasive way and within a short examination duration. Such services cater the needs of urbanite who could do regular check-ups without being hospitalized and without using invasive methods. Furthermore, the Target Group has proven the ability to develop its own healthcare products and is being recognized and accepted by reputable distribution chains. The Target Group has shown a promising development trend and substantial potentials for future development.

Through this Acquisition, the Group has advanced strategically in "Internet Plus Health" business. The Target Group and the Group are expected to jointly explore business opportunities, utilizing advantages and establishments of each of the parties. The Comprehensive Healthcare Platform could be further opened up with additional offline scenarios and conduct related offline business opportunities after the Acquisition. As the branches of the modernized Chinese medicine clinics and medical-related businesses of the Target Group in Hong Kong cover a wide range of areas, the alliance with the Target Group may help to jump start the provision of products and services to users to form a closed ecological system of complete service process between online and offline with "Internet Plus" technology.

The Group may provide technologies such as interactive marketing solutions and big data analysis so that the Target Group could provide smart health advice and intelligent online medical treatment to users through the Comprehensive Healthcare Platform. Meanwhile, the medical service points of the Target Group may also establish a cross-border online membership reward and consultation service program to expand the market for other Chinese medicine clinics in the Greater Bay Area.

In view of the above, the foundation of the Group's "Internet Plus Health" business could be further solidified, while at the same time unlocking the value of the Target Group after the Acquisition. The Board believes that there are natural synergies between the Group and the Target Group which will create new business opportunities through a win-win scenario.

Notwithstanding the dilution impact to the existing Shareholders as a result of the allotment and issue of the Consideration Shares, considering that (i) the Acquisition is in line with the business strategies of the Group; (ii) the terms of the Acquisition are normal commercial terms; (iii) no cash outlay by the Group is involved in the Acquisition; and (iv) the abovementioned benefits to be derived from the Acquisition, the Directors are of the view that the Acquisition (including the Consideration and the issue of the Consideration Shares) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholdings structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion and the allotment and issue of the Consideration Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the date of the Completion and the allotment and issue of the Consideration Shares), are set out as below:

Shareholders	**As at the date of this announcement**		**Immediately following the Completion and the allotment and issue of the Consideration Shares**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
Directors				
Madam Cheung Kwai Lan	4,656,000	0.11	4,656,000	0.11
Mr. Chan Tung Mei	3,020,000	0.07	3,020,000	0.07
Mr. Yang Qing Cai	475,000	0.01	475,000	0.01
Sub-total	8,151,000	0.19	8,151,000	0.19
Best Frontier Investments Limited *(Note 1)*	675,565,856	16.44	675,565,856	15.65
Sinopharm Traditional Chinese Medicine Overseas Holdings Limited	650,000,000	15.82	650,000,000	15.06
Integrated Asset Management (Asia) Limited (“**Integrated Asset Management**”) and its concert parties (*Note 2*)	460,633,000	11.21	460,633,000	10.67
Sub-total	1,786,198,856	43.47	1,786,198,856	41.38
The Vendors	-	-	208,400,000	4.83
Public Shareholders	2,314,505,212	56.34	2,314,505,212	53.60
Total	**4,108,855,068**	**100.00**	**4,317,255,068**	**100.00**

Notes:

1. *The 675,565,856 Shares were held by Best Frontier Investments Limited which was owned as to 99.89% and 0.11% by Madam Cheung Kwai Lan and Mr. Chan Tung Mei who are spouses to each other and each a Director.*

2. *The 460,633,000 Shares were owned by Integrated Asset Management which was wholly-owned by Mr. YAM Tak Cheung. 8% coupon convertible bonds in aggregate amount of HK$89,625,000 (the "**CBs**") for a term of six months were issued to Integrated Asset Management pursuant to the first amendment agreement dated 18 January 2017. The Company received a written consent from Integrated Asset Management, on which the maturity date of the CBs would be extended for further six months to 17 January 2018. A maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset Management upon conversion of the CBs in full. The amended conversion price was HK$0.359 per conversion share subject to adjustment.*

   Pursuant to the second amendment agreement, the amendments were that the maturity date of the CBs was extended for six months from 17 January 2018 to 17 July 2018, and further extended maturity date upon a prior written consent from Integrated Asset Management would be 17 January 2019. Such written consent from Integrated Asset Management has been received by the Company. A maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset Management upon conversion of the CBs in full.

   An ordinary resolution was passed at the extraordinary general meeting of the Company held on 19 March 2019 in which pursuant to the third amendment agreement, the amendments are that the maturity date of the CBs shall be extended for six months from 17 January 2019 to 17 July 2019, and further extended maturity date upon a prior written consent from Integrated Asset Management shall be 17 January 2020. Upon completion of the third amendment agreement, a maximum number of 249,651,810 Shares would be allotted and issued to Integrated Asset Management upon conversion of the CBs in full.

   As a result of the adjustments of the CBs on 10 May 2019 upon the allotment and issue of the consideration shares to Sinopharm Traditional Chinese Medicine Overseas Holdings Limited, a maximum number of 263,602,941 Shares shall be allotted and issued to Integrated Asset Management upon conversion of the CBs in full and thereafter the shareholding of Integrated Asset Management will be increased to approximately 17.63% of the current issued share capital of the Company and approximately 16.56% of the enlarged corresponding issued share capital of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 19 of the GEM Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the general mandate. As none of the Directors has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares under the general mandate), no Director had abstained from voting on the relevant resolution of the Board approving the Acquisition.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As the Completion is subject to satisfaction or waiver (as the case may be) of the conditions precedent to the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendors pursuant to the Sale and Purchase Agreement
"Board"	the board of Directors
"BVI"	British Virgin Islands
"Company"	China Vanguard You Champion Holdings Limited (Stock Code: 08156), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
"Completion"	completion of the Acquisition pursuant to the Sale and Purchase Agreement
"Consideration"	the consideration for the Sale Shares in the amount of HK$50 million pursuant to the Sale and Purchase Agreement
"Consideration Shares"	the new Shares which shall be allotted and issued by the Company to satisfy the Consideration in accordance with the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	collectively, the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Long Stop Date"	30 September 2019 or such other date as the Purchaser and the Vendors may agree in writing
"Mr. Cheung"	Mr. Cheung Wan Yu, holding 5% of the issued share capital of the Target Company (i.e. 50 shares), and a Vendor under the Sale and Purchase Agreement selling to the Purchaser 12 shares he holds in the Target Company
"Mr. Lau"	Mr. Lau Chi Wing James, holding 9.5% of the issued share capital of the Target Company (i.e. 95 shares), and a Vendor under the Sale and Purchase Agreement selling to the Purchaser 24 shares he holds in the Target Company
"Ms. Choi	Ms. Choi Man Yun, Marian, holding 66.5% of the issued share capital of the Target Company (i.e. 665 shares), and a Vendor under the Sale and Purchase Agreement selling to the Purchaser 166 shares she holds in the Target Company
"Ms. Kong"	Ms. Kong Lai Ying, holding 19% of the issued share capital of the Target Company (i.e. 190 shares), and a Vendor under the Sale and Purchase Agreement selling to the Purchaser 48 shares she holds in the Target Company
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	China Vanguard Corporate Management Limited (眾彩企業管理有限公司), a wholly-owned subsidiary of the Company and the purchaser to the Sale and Purchase Agreement
"Sale and Purchase Agreement"	the sale and purchase agreement dated 5 June 2019 entered into between the Vendors and the Purchaser in respect of the Acquisition
"Sale Shares"	250 ordinary shares of the Target Company, representing 25% of the equity interests in the Target Company
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	share(s) of HK$0.0125 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Ever Development Holdings Limited, a company incorporated in the BVI with limited liability
"Target Group"	collectively, the Target Company and its subsidiaries
"Vendors"	Ms. Choi, Ms. Kong, Mr. Lau and Mr. Cheung
"%"	per cent.

By order of the Board
CHINA VANGUARD YOU CHAMPION HOLDINGS LIMITED
眾彩羽翔股份有限公司
CHAN Ting
Executive Director and Chief Executive Officer

Hong Kong, 5 June 2019

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. TO Yan Ming Edmond, Mr. YANG Qing Cai and Dr. LIU Ta-pei 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.