

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

V1 GROUP LIMITED
第一視頻集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 82)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 20 January 2020 (after trading hours), the Company and the Placee entered into the Placing Agreement pursuant to which the Company has conditionally agreed to allot and issue the 75,000,000 Placing Shares to the Placee at a price of HK\$0.200 per Placing Share.

The 75,000,000 Placing Shares under the Placing represent (i) approximately 1.78% of the existing issued share capital of the Company of 4,213,395,262 Shares as at the date of this announcement; and (ii) approximately 1.75% of the Company's issued share capital of 4,288,395,262 Shares as enlarged by the Placing Shares. The Placing Price of HK\$0.200 represents (i) a premium of approximately 4.06% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing Agreement of approximately HK\$0.1922; and (ii) a discount of approximately 2.91% to the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 20 January 2020, being the date of the Placing Agreement.

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 Placing Shares. The Placing Shares will be allotted and issued under the General Mandate.

The net proceeds from the Placing (after deducting professional fees and other related costs and expenses incurred in the Placing) of approximately HK\$14.8 million will be used for the purpose of general working capital of the Group.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 20 January 2020 (after trading hours), the Company and the Placee entered into the Placing Agreement pursuant to which the Company has conditionally agreed to allot and issue the 75,000,000 Placing Shares to the Placee at a price of HK\$0.200 per Placing Share.

THE PLACING AGREEMENT

Date: 20 January 2020 (after trading hours)

Issuer: The Company

Placee: Yonxi Great China Fund SPC acting on behalf of and for the account of Yonxi Prosperity Fund SP

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placee is an Independent Third Party.

Placing Shares

The 75,000,000 Placing Shares under the Placing represent (i) approximately 1.78% of the existing issued share capital of the Company of 4,213,395,262 Shares as at the date of this announcement; and (ii) approximately 1.75% of the Company's issued share capital of 4,288,395,262 Shares as enlarged by the Placing Shares.

Ranking of Placing Shares

The Placing Shares will, upon issue, rank *pari passu* in all respects with the Shares in issue as at the Completion Date and shall be allotted and issued by the Company free from all liens, charges, security interests, encumbrances or other third party rights together with all rights attaching thereto on and after the date of their allotment including all dividends declared or payable or distributions made or proposed to be made at any time by reference to a record date falling on or after the date of allotment of the Placing Shares.

Placing Price

The Placing Price of HK\$0.200 represents (i) a premium of approximately 4.06% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Placing Agreement of approximately HK\$0.1922; and (ii) a discount of approximately 2.91% to the closing price of HK\$0.206 per Share as quoted on the Stock Exchange on 20 January 2020, being the date of the Placing Agreement. The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placee. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Issue of the Placing Shares under the General Mandate

The Placing Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued share capital of the Company as at the date of the AGM, (i.e. 842,679,052 Shares, representing 20% of 4,213,395,262 Shares in issue as at the date of the AGM). Up to the date of this announcement, no Shares have been issued under the General Mandate. The Placing is not subject to Shareholders' approval. An application will be made by the Company to the Stock Exchange for the grant of approval in the listing of, and permission to deal in, the Placing Shares.

Conditions Precedent of the Placing

Completion of the Placing under the Placing Agreement shall be conditional upon the following conditions precedent being fulfilled (or being waived by any of the parties to the Placing Agreement) on or before 5:00 p.m. (Hong Kong time) on the Long Stop Date (or as the case may be the Completion Date):

- (a) the compliance with the requirements of the Stock Exchange and the Listing Rules, including but not limited to the listing of and permission to deal in all of the Placing Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions);
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Placing Agreement to the Completion Date, save for any temporary suspension not exceeding five (5) consecutive trading days (as defined under the Listing Rules), or such longer period as the Placee may accept in writing, and no indication being received by the Company on or before the Completion Date from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to as a result of Completion or in connection with the terms of the Placing Agreement;
- (c) the representations, warranties and undertakings of the Company remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Placing Agreement and at Completion;
- (d) the representations, warranties and undertakings of the Placee remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Placing Agreement and at Completion;
- (e) each of the parties to the Placing Agreement having performed in all material respects all of the covenants and agreements required to be performed by it under the Placing Agreement on or prior to the Completion Date; and

- (f) prior to Completion, there being no occurrence of any change, or any development or event reasonably likely to involve a prospective change in the financial condition, operations, legal environment, business or properties of the Company which, in the reasonable opinion of the Placee, is material and adverse to the issue of the Placing Shares.

The Placee may in its absolute discretion at any time waive in writing above conditions precedent (b), (c), (e) and/or (f) (or any part thereof), and the Company may in its absolute discretion at any time waive in writing conditions precedent (d) and/or (e) (or any part thereof), and such waiver by the waiving party may be made subject to such terms and conditions as are determined by the waiving party.

In the event any of the above conditions precedent is not fulfilled (or being waived by any parties to the Placing Agreement), at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, the obligations of the parties under the Placing Agreement shall forthwith cease to be of any effect and none of the parties to the Placing Agreement shall be bound to carry out the remaining terms of the Placing Agreement and no party to the Placing Agreement shall have any right to damages or reimbursement for any cost and expenses that it may have incurred in connection with or arising out of the Placing Agreements or the failure to complete the Placing, save for any antecedent breaches thereof.

Completion of the Placing

Subject to fulfilment (or, where appropriate, waiver by any of the parties to the Placing Agreement) of the conditions precedent to the Placing Agreement, Completion shall take place on the Completion Date.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in internet businesses including internet audio-visual new media, sports lottery new retail business, online trading platform and other Internet + businesses in the PRC and a satellite TV station in Dubai, UAE.

The Board is of the view that there is still a huge potential to develop the sports lottery industry in the PRC, especially in the coming three years where the key global sports events such as UEFA EURO 2020, 2021 FIFA Club World Cup and 2022 FIFA World Cup will be held, the demand for sports lottery in the PRC will inevitably attract a higher-than-normal growth based on the past experience of the Group. With the acquisition of Fengkuang Tiyu in November 2018 and the remarkable progress of the Group towards building a business ecosystem to provide all-in-one online and offline sports entertainment destination for our sports and sports lottery users, the Board is of the view that the sports lottery business of the Group will become one of the core business segments of the Group. The Board is also of the view that the Placing represents its first milestone to bring in financial and strategic investors to the Group and the Placing will allow for the acceleration in building up the Group's sports lottery new retail business.

The net proceeds from the Placing (after deducting professional fees and other related costs and expenses incurred in the Placing) of approximately HK\$14.8 million will be used for the purpose of general working capital of the Group.

The Board considers the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placee, are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company immediately before and after the completion of the Placing is set out below:

	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Dr. Zhang Lijun and/or his associates (<i>Note 1</i>)	1,032,563,113	24.51%	1,032,563,113	24.08%
Mr. Ji Qiang	750,000	0.02%	750,000	0.02%
Mr. Wang Linan	1,400,000	0.03%	1,400,000	0.03%
The Placee	—	—	75,000,000	1.75%
Public Shareholders	3,178,682,149	75.44%	3,178,682,149	74.12%
Total	<u>4,213,395,262</u>	<u>100.00</u>	<u>4,288,395,262</u>	<u>100.00</u>

Note:

- (1) Dr. Zhang Lijun (“**Dr. Zhang**”) held and was deemed to hold under the SFO in aggregate 1,032,563,113 Shares, representing approximately 24.51% of the Company’s issued share capital. These 1,032,563,113 Shares comprised: (i) 70,514,113 Shares directly held by Dr. Zhang; (ii) deemed interest of 9,350,000 Shares directly held by Ms. Wang Chun (“**Ms. Wang**”), the spouse of Dr. Zhang; and (iii) deemed interest of 330,199,000 Shares held by Big Step Group Limited and (iv) 622,500,000 Shares held by Blazing Ace Limited, both of which wholly owned by Avis Trend Limited. Avis Trend Limited is wholly owned by Cantrust (Far East) Limited in its capacity as the trustee of a discretionary family trust established by Dr. Zhang as settlor, and the discretionary beneficiaries of the trust include Dr. Zhang, Ms. Wang and their family members.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the date of this announcement.

GENERAL

Shareholders and potential investors should note that Completion is subject to fulfilment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares or other securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“AGM”	the annual general meeting of the Company held on 28 May 2019
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	V1 Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Placing pursuant to the terms of the Placing Agreement
“Completion Date”	a date within five (5) Business Days after all of the conditions precedent to the Placing Agreement have been fulfilled by the Company or, as the case may be, waived by the Placee (or such later date as the Company and the Placee may agree in writing)
“Directors”	the directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	3 February 2020
“Placee”	Yonxi Great China Fund SPC acting on behalf of and for the account of Yonxi Prosperity Fund SP, the subscriber of the Placing Shares under the Placing Agreement
“Placing”	the placing of 75,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 20 January 2020 entered into between the Company and the Placee in relation to the Placing
“Placing Price”	HK\$0.200 per Placing Share
“Placing Share(s)”	75,000,000 new Shares to be allotted and issued and placed to the Placee pursuant to the terms and conditions of the Placing Agreement
“PRC”	The People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“ substantial shareholder(s) ”	has the meaning as described thereto under the Listing Rules
“ HK\$ ”	Hong Kong dollars, the lawful currency of Hong Kong
“ % ”	per cent.

By order of the Board
V1 Group Limited
ZHANG Lijun
Chairman

Hong Kong, 20 January 2020

As at the date of this announcement, the Directors are:

Executive Directors:

Dr. ZHANG Lijun (*Chairman*)
Ms. WANG Chun
Mr. JI Qiang

Independent Non-executive Directors:

Dr. LOKE Yu (alias LOKE Hoi Lam)
Prof. GONG Zhankui
Mr. WANG Linan