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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 7 December 2020 (after trading hours), the Company entered into the Placing Agreements with each of the Placees pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 215,180,180 Placing Shares to the Placees at a price of HK\$0.222 per Placing Share.

The 215,180,180 Placing Shares under the Placing represent (i) approximately 5.02% of the existing issued share capital of the Company of 4,288,395,262 Shares as at the date of this announcement; and (ii) approximately 4.78% of the Company's issued share capital of 4,503,575,442 as enlarged by the Placing Shares.

The Placing Price of HK\$0.222 represents:

- (i) a discount of approximately 9.5% 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 Agreements of approximately HK\$0.245; and
- (ii) a discount of approximately 9.8% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on 7 December 2020, being the date of the Placing Agreement.

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.

The net proceeds from the Placing after deducting related professional fees and expenses are estimated to be approximately HK\$47.6 million which will be used for the development of the Group's sports lottery and entertainment business and for the general working capital purpose 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 7 December 2020 (after trading hours), the Company entered into the Placing Agreements with each of the Placees pursuant to which the Company has conditionally agreed to allot and issue an aggregate of 215,180,180 Placing Shares to the Placees at a price of HK\$0.222 per Placing Share.

THE PLACING AGREEMENTS

Date: 7 December 2020 (after trading hours)

Issuer: The Company

Placees: Yonxi; and

Mr. Zhang

Placing Shares

The 215,180,180 Placing Shares under the Placing, of which 180,180,180 and 35,000,000 Shares will be placed to Yonxi and Mr. Zhang respectively, represent (i) approximately 5.02% of the existing issued share capital of the Company of 4,288,395,262 Shares as at the date of this announcement; and (ii) approximately 4.78% of the Company's issued share capital of 4,503,575,442 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\$0.222 represents:

- (i) a discount of approximately 9.5% 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 Agreements of approximately HK\$0.245; and
- (ii) a discount of approximately 9.8% to the closing price of HK\$0.246 per Share as quoted on the Stock Exchange on 7 December 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 each of the Placees. 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 interest 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. 857,679,052 Shares, representing 20% of 4,288,395,262 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

The Placing Completion under each of the Placing Agreements shall be conditional upon the following conditions precedent being fulfilled (or being waived by any of the parties to the Placing Agreements) 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 Agreements 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 each of the Placees 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 the Placing 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 Agreements and at the Placing Completion;
- (d) the representations, warranties and undertakings of each of the Placees remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Placing Agreements and at the Placing Completion;

- (e) each of the parties to each of the Placing Agreements having performed in all material respects all of the covenants and agreements required to be performed by it under the respective Placing Agreements on or prior to the Completion Date; and
- (f) prior to the Placing 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 each of the Placees, is material and adverse to the issue of the Placing Shares.

Each of the Placees may in his/or 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 each of the Placing Agreements shall forthwith cease to be of any effect and none of the parties to each of the Placing Agreements shall be bound to carry out the remaining terms of the Placing Agreements and no party to the Placing Agreements 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.

The Placing Completion

Subject to fulfillment (or, where appropriate, waiver by any of the parties to the Placing Agreement) of the conditions precedent to the Placing Agreement, the Placing Completion shall take place on the Completion Date. Completion of the placements of Shares to Yonxi and Mr. Zhang are not inter-conditional upon each other under the Placing Agreements.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is a leading sports lottery and entertainment services provider in the PRC. In the coming two years where the key global sports events such as UEFA Euro, FIFA World Cup and the Olympics will be held, the demand for sports and sports lottery entertainment will inevitably attract a higher-than-normal growth based on the past experience of the Group. Following the restructuring of the Group as announced by the Company in a separate announcement on the same date of this announcement, the senior management team will focus all its effort in enhancing the business ecosystem with the aim to provide all-in-one O2O sports entertainment destination for the sports and sports lottery users. The Company will accelerate the building up of the Group's sports lottery retail business and reinforce its leadership in the industry through further integration and cross-selling products and services in the O2O ecosystem.

The net proceeds from the Placing after deducting related professional fees and expenses are estimated to be approximately HK\$47.6 million which will be used as to approximately HK\$30 million for the development of the Group's sports lottery and entertainment business and balance for the general working capital purpose 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 each of the Placees, are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

BACKGROUND OF THE PLACEES

Yonxi was incorporated in Cayman Islands as an exempted company limited by shares and registered as a segregated portfolio company. Yonxi is an open-ended fund registered with the Cayman Islands Monetary Authority and Yonxi Prosperity Fund SP is a segregated portfolio established by Yonxi. With a typical structure common to segregated portfolio companies in the Cayman Islands, Yonxi has two classes of shares in issue, namely, voting non-participating shares and non-voting participating shares. All the voting non-participating shares of Yonxi are owned by Mr. Yan Binbin. The non-voting participating shares of Yonxi are owned by investors of the mutual fund which comprise primarily institutional investors.

The Investment Manager of Yonxi is owned by Mr. Yan Binbin, Mr. Huang Binbin and Mr. Zhuang Leiming and its directors are Mr. Yan Binbin and Mr. Au-Yeung Kam Kay. Mr. Au-Yeung Kam Kay is also a responsible officer of the Investment Manager.

Mr. Zhang is a PRC resident and is a private investor with experience in investment.

To the best of the Director's knowledge, information and belief having made all reasonable enquiry, Yonxi, the Investment Manager of Yonxi, and their respective ultimate beneficial owner(s) and Mr. Zhang are Independent Third Parties.

EFFECTS ON SHAREHOLDING STRUCTURE

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

	As at the date of this announcement		Immediately after the Placing Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Dr. Zhang Lijun and/or his associates (<i>Note (1)</i>)	1,032,563,113	24.08%	1,032,563,113	22.93%
Mr. Ji Qiang	750,000	0.02%	750,000	0.02%
Mr. Wang Linan	1,400,000	0.03%	1,400,000	0.03%
Yonxi	12,400,000	0.29%	192,580,180	4.28%
Mr. Zhang	30,000,000	0.70%	65,000,000	1.44%
Public Shareholders	<u>3,211,282,149</u>	<u>74.88%</u>	<u>3,211,282,149</u>	<u>71.30%</u>
Total	<u>4,288,395,262</u>	<u>100.00%</u>	<u>4,503,575,442</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 24.08% 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 interests of 952,699,000 Shares held by companies controlled by 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

Apart from the fund raising activity mentioned below, the Company has not raised any funds by issuing equity securities in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Intended use of net proceeds	Actual use of the net proceeds as at the date of this announcement
20 January 2020	Placing of 75,000,000 Shares under general mandate	General working capital of the Group	General working capital of the Group

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

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.

DEFINITIONS

“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 Date”	a date within five (5) Business Days after all of the conditions precedent to each of the Placing Agreements have been fulfilled by the Company or, as the case may be, waived by each of the Placees (or such later date as the Company and each of the Placees 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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)
“Investment Manager”	Yonxi International Finance Holdings Limited (雍熙國際金融控股有限公司), a private company limited by shares incorporated in Hong Kong and is licensed to conduct Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	21 December 2020 or such later date of need upon by the Placees and the Company in writing
“Mr. Zhang”	Mr. Zhang Hai Tao, subscriber of 35,000,000 Placing Shares under the placing agreement dated 7 December 2020 entered into between Mr. Zhang and the Company
“Placees”	collectively, Yonxi and Mr. Zhang
“Placing”	the placing of aggregate of 215,180,180 Placing Shares pursuant to the terms of the Placing Agreements
“Placing Agreements”	the conditional placing agreements dated 7 December 2020 entered into between the Company and each of the Placees in relation to the Placing
“Placing Completion”	completion of the Placing Agreements
“Placing Price”	HK\$0.222 per Placing Share
“Placing Share(s)”	an aggregate of 215,180,180 new Shares to be allotted and issued and placed to the Placees pursuant to the terms and conditions of the Placing Agreements
“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

“Yonxi” Yonxi Great China Fund SPC acting on behalf of and for the account of Yonxi Prosperity Fund SP, subscriber of 180,180,180 Placing Shares under the placing agreement dated 7 December 2020 entered into between Yonxi and the Company

“%” per cent.

By Order of the Board
V1 Group Limited
ZHANG Lijun
Chairman

Hong Kong, 7 December 2020

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

Executive Directors:

Dr. ZHANG Lijun (*Chairman*)

Ms. WANG Chun

Mr. JI Qiang

Ms. CHENG Po Chuen

Independent non-executive Directors:

Dr. LOKE Yu (*alias LOKE Hoi Lam*)

Prof. GONG Zhankui

Mr. WANG Linan