V1 GROUP LIMITED

第一視頻集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 82)

PROFIT WARNING

This announcement is made by V1 Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group and the information currently available to the Board, the Group expects:

(i) to generate a gross profit for the year ended 31 December 2019 ("**FY2019**") of no less than HK$100 million, representing a significant improvement from a gross loss of approximately HK$32.6 million for the year ended 31 December 2018; and

(ii) its net loss attributable to owners of the Company for FY2019 to be not more than HK$200 million, representing a significant reduction of approximately 70% year over year.

Based on the information currently available to the Company, the expected significant year over year decrease in net loss is primarily attributable to the following factors:

(i) the full year financial results of Fengkuang Tiyu was consolidated in the financial statement of the Group in FY2019, in which acquisition of 100% interest in Fengkuang Tiyu was completed in November 2018;

(ii) the e-commerce business under our core business achieved higher gross profit and gross profit margin year over year despite a reduction in sales revenue; and

(iii) a significant decrease in impairment of intangible assets and goodwill during FY2019.

The Group is still in the process of finalizing the Group's results for FY2019. The information contained in this announcement is only based on the Company's preliminary assessment of the unaudited management accounts of the Group, which have not been reviewed by the Company's auditors, and the information currently available to the Board, and the actual results of the Group for FY2019 may be different from what is disclosed herein. Shareholders of the Company and potential investors are advised to read carefully the announcement of the annual results of the Company for FY2019, which is expected to be published prior to the end of March 2020 in accordance with the Listing Rules. Further management discussion and analysis on the results of the Group will be set out therein.

Shareholders of the Company and the potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
V1 Group Limited
ZHANG Lijun
Chairman

Hong Kong, 5 March 2020

As at the date of this announcement, the directors of the Company 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