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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board of directors (the “Board”) of V1 Group Limited (“the Company” or “V1 Group”) announces that the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2016, together with the comparative figures of the corresponding period in 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Six months ended 30 June	
		2016	2015
		(Unaudited)	(Unaudited and Restated)
		HK\$'000	HK\$'000
Continuing operations			
Revenue	5	70,026	86,326
Cost of revenue		(137,365)	(135,684)
Gross loss		(67,339)	(49,358)
Other gains and losses	6	1,622	2,410
Selling and marketing expenses		(5,389)	(40,415)
Administrative expenses		(58,978)	(50,726)
Share of profits of associates		47	54
Loss before income tax	7	(130,037)	(138,035)
Income tax credit	8	651	696
Loss for the period from continuing operations		(129,386)	(137,339)
Discontinued operations			
Profit from discontinued operations	9	–	93,422
LOSS FOR THE PERIOD		(129,386)	(43,917)

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited and Restated)
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive income		
Items that maybe reclassified subsequently to profit or loss:		
Change in value of available-for-sale financial assets	(1,211)	5,734
Exchange differences arising on translation of foreign operations	<u>(17,858)</u>	<u>36,299</u>
Other comprehensive income for the period	<u>(19,069)</u>	<u>42,033</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(148,455)</u>	<u>(1,884)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company		
Loss for the period from continuing operations	(129,504)	(137,052)
Income from discontinued operations	<u>–</u>	<u>43,954</u>
Loss for the period attributable to owners of the Company	<u>(129,504)</u>	<u>(93,098)</u>
Non-controlling interests		
Profit/(loss) for the period from continuing operations	118	(287)
Income from discontinued operations	<u>–</u>	<u>49,468</u>
Profit for the period attributable to non-controlling interests	<u>118</u>	<u>49,181</u>
	<u>(129,386)</u>	<u>(43,917)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the Company	(148,025)	(57,201)
Non-controlling interests	<u>(430)</u>	<u>55,317</u>
	<u>(148,455)</u>	<u>(1,884)</u>

		Six months ended 30 June	
		2016	2015
		(Unaudited)	(Unaudited and Restated)
	<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
LOSS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS			
– Basic (HK cents)	<i>10</i>	<u>(3.93) cents</u>	<u>(2.82) cents</u>
– Diluted (HK cents)	<i>10</i>	<u>(3.93) cents</u>	<u>(2.82) cents</u>
LOSS PER SHARE FROM CONTINUING OPERATIONS			
– Basic (HK cents)	<i>10</i>	<u>(3.93) cents</u>	<u>(4.16) cents</u>
– Diluted (HK cents)	<i>10</i>	<u>(3.93) cents</u>	<u>(4.16) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2016 (Unaudited) <i>HK\$'000</i>	As at 31 December 2015 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	12,912	15,701
Interests in associates	<i>12</i>	40,085	40,939
Goodwill	<i>13</i>	436,269	446,057
Intangible assets		833,634	871,138
Other financial assets	<i>15</i>	65,396	–
		1,388,296	1,373,835
CURRENT ASSETS			
Trade receivables	<i>14</i>	55	8,377
Other receivables, deposits and prepayments		19,533	18,412
Inventories		772	1,342
Other financial assets	<i>15</i>	4,295	5,506
Held-to-maturity financial assets	<i>16</i>	465,000	–
Amount due from an associate	<i>22(d)</i>	112,368	64,117
Amounts due from related companies	<i>22(c)</i>	18,481	4,984
Bank balances and cash		940,469	1,591,389
		1,560,973	1,694,127
CURRENT LIABILITIES			
Trade payables	<i>17</i>	80	82
Deposits received, other payables and accruals		8,878	25,547
Amount due to an associate		423	428
Amounts due to related companies		56,414	8,547
Tax payable		112,094	112,094
		177,889	146,698
NET CURRENT ASSETS		1,383,084	1,547,429

		As at 30 June 2016 (Unaudited) <i>HK\$'000</i>	As at 31 December 2015 (Audited) <i>HK\$'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,771,380</u>	<u>2,921,264</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		<u>34,420</u>	<u>35,849</u>
NET ASSETS		<u>2,736,960</u>	<u>2,885,415</u>
EQUITY			
Share capital	<i>18</i>	32,979	32,979
Reserves		<u>2,684,228</u>	<u>2,832,253</u>
Equity attributable to owners of the Company		<u>2,717,207</u>	<u>2,865,232</u>
Non-controlling interests		<u>19,753</u>	<u>20,183</u>
TOTAL EQUITY		<u>2,736,960</u>	<u>2,885,415</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Share- based compen- sation reserve <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2015 (audited)	32,979	1,488,282	1,060,812	59,273	(9,454)	230,987	314,331	840,263	4,017,473
Profit or loss	-	-	-	-	-	-	(93,098)	49,181	(43,917)
Other comprehensive income	-	-	-	-	5,734	30,163	-	6,136	42,033
Total comprehensive income for the period	-	-	-	-	5,734	30,163	(93,098)	55,317	(1,884)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,428)	(19,428)
Recognition of share-based payment expense	-	-	-	23,809	-	-	-	31,520	55,329
Deemed disposal of partial interest in a subsidiary	-	-	11	-	-	-	-	960	971
At 30 June 2015 (unaudited)	<u>32,979</u>	<u>1,488,282</u>	<u>1,060,823</u>	<u>83,082</u>	<u>(3,720)</u>	<u>261,150</u>	<u>221,233</u>	<u>908,632</u>	<u>4,052,461</u>
At 1 January 2016 (audited)	32,979	1,488,282	1,059,408	7,382	(6,056)	59,562	223,675	20,183	2,885,415
Profit or loss	-	-	-	-	-	-	(129,504)	118	(129,386)
Other comprehensive income	-	-	-	-	(1,211)	(17,310)	-	(548)	(19,069)
Total comprehensive income for the period	-	-	-	-	(1,211)	(17,310)	(129,504)	(430)	(148,455)
At 30 June 2016 (unaudited)	<u>32,979</u>	<u>1,488,282</u>	<u>1,059,408</u>	<u>7,382</u>	<u>(7,267)</u>	<u>42,252</u>	<u>94,171</u>	<u>19,753</u>	<u>2,736,960</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(121,701)	583
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(528,973)</u>	<u>(54,562)</u>
DECREASE IN CASH AND CASH EQUIVALENTS EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	(650,674) (246)	(53,979) 1,922
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	<u>1,591,389</u>	<u>602,725</u>
CASH AND CASH EQUIVALENT AT END OF PERIOD	<u><u>940,469</u></u>	<u><u>550,668</u></u>

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

V1 Group Limited is a limited liability company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. Its principal place of business in Hong Kong is located at Room 3006, 30th Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong.

The Company and its subsidiaries (hereafter referred to as the "Group") are principally engaged in tele-media business and lottery-related business in the People's Republic of China ("PRC"). In 2012, a non-wholly owned subsidiary of the Company, China Mobile Games and Entertainment Group Limited ("CMGE"), which is principally engaged in mobile game business, was successfully listed on the Nasdaq Global Market in the United States. After the Group disposed of its entire interest in CMGE on 10 August 2015 in accordance with the merger plan announced in June 2015 (the "Merger"), CMGE ceased to be a public traded company and was disposed of by the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rule") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountant (the "HKICPA"). The condensed consolidated financial statements should be read in conjunction with the Group's annual financial statement as at 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS") issued by the HKICPA.

On 10 August 2015, the Company disposed of its entire interest in CMGE. CMGE represented a separate major line of business of the Group. For the presentation of this Financial Information for the six months ended 30 June 2016, CMGE is regarded as a discontinued operation.

The condensed consolidated financial statements have not been audited.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements. Statutory financial statements for the year ended 31 December 2015 are available from the Company's registered office.

The condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$").

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

Except as described below, the condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the Group's annual financial statement as at 31 December 2015.

The Group has adopted the following standards, amendments and interpretations to published standards issued by the HKICPA, which are effective for the accounting periods beginning on or after 1 January 2016:

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The adoption of the abovementioned new or revised standards, amendments and interpretation do not result in any substantial changes to the Group's significant accounting policies and presentation of the condensed consolidated financial statements.

The HKICPA has also issued the following new or revised standards, amendments and interpretations which are not yet effective for the financial period beginning on 1 January 2016:

HKAS 7 (Amendment)	Statement of Cash Flows ¹
HKAS 12 (Amendment)	Income Taxes ¹
HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Leases ³

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

The Group has not early adopted the above new or revised standards, amendments or interpretations in the condensed consolidated financial statements. The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state whether any substantial changes to the Group's significant accounting policies or presentation of the Group's consolidated financial statements will be resulted.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group has three reportable segments. The segments were and are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Tele-media business – Provision of internet information services, including mini-video news portal and self-produced original news commentary programs, as well as mini-video news platform for the mobile clients; and also operating in mobile internet-related business, including on-line games, on- line shows and E-commerce services etc..
- Lottery-related business – Provision of lottery-related business services through the corresponding services offered to and the complementary support of lottery information, mobile phone lottery betting system and the lottery weibo.
- Mobile games business – Development and provision of mobile games, as well as provision of mobile and internet value-added services, and also developing and designing of mobile communication products.

As described in note 9, the Group has discontinued the reportable segment of mobile game business since 10 August 2015.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-makers for assessment of segment performance.

(a) **Business segments**

	Continuing operations				Discontinued operations		Total	
	Tele-media business		Lottery-related business		Mobile games business		Six months ended 30 June	
	Six months ended 30 June	2015	Six months ended 30 June	2015	Six months ended 30 June	2015	2016	2015
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Revenue from external customers	<u>70,026</u>	<u>57,162</u>	<u>-</u>	<u>29,164</u>	<u>-</u>	<u>926,425</u>	<u>70,026</u>	<u>1,012,751</u>
Reportable segment (loss)/profit	<u>(70,423)</u>	<u>(86,767)</u>	<u>(19,697)</u>	<u>(17,829)</u>	<u>-</u>	<u>106,740</u>	<u>(90,120)</u>	<u>2,144</u>
Interest income	16	16	-	337	-	4,697	16	5,050
Depreciation and amortisation	(21,189)	(21,465)	(13,607)	(15,017)	-	(34,459)	(34,796)	(70,941)
	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	856,765	840,155	580,178	590,902	-	-	1,436,943	1,431,057
Additions to non-current assets	14	39,465	-	-	-	86,822	14	126,287
Reportable segment liabilities	40,265	9,643	56,720	40,033	-	-	96,985	49,676

(b) **Reconciliation of reportable segment (loss)/profit, assets and liabilities**

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Loss before income tax credit and discontinued operations		
Reportable segment (loss)/profit	(90,120)	2,144
Other gains and losses	1,707	2,112
Share of profit of associates	47	54
Unallocated corporate expenses		
– Advertising expenses	(23,810)	(20,252)
– Staff costs	(9,513)	(9,799)
– Others	(8,348)	(5,554)
Total loss for the period	(130,037)	(31,295)
Segment profit from discontinued operations	-	(106,740)
Consolidated loss before income tax credit from continuing operations	<u>(130,037)</u>	<u>(138,035)</u>

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Assets		
Reportable segment assets	1,436,943	1,431,057
Other financial assets	69,691	5,506
Held-to-maturity financial assets	465,000	–
Cash at banks	927,116	1,585,216
Interests in associates	40,085	40,939
Unallocated corporate assets	10,434	5,244
	<hr/>	<hr/>
Consolidated total assets	2,949,269	3,067,962
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Reportable segment liabilities	96,985	49,676
Deposits received, other payables and accruals	3,230	20,777
Tax payable	112,094	112,094
	<hr/>	<hr/>
Consolidated total liabilities	212,309	182,547
	<hr/> <hr/>	<hr/> <hr/>

(c) Geographical information

During the six months ended 30 June 2015 and 2016, over 90% of the Group's revenue was attributable to customers in the PRC and over 90% of the Group's total non-current assets are located in the PRC and the remaining non-current assets are located in Hong Kong.

(d) Major customers

The Group's associate is the only major customer with whom transactions have exceeded 99% (2015: 86%) of the Group's revenues. Revenues from the Group's associate amounted to approximately HK\$69,739,000 (2015: HK\$45,572,000) in the tele-media segment and amounted to approximately HK\$Nil (2015: HK\$29,164,000) in the lottery-related segment.

5. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for goods returned and trade discounts, and services fees earned. An analysis of turnover and revenue is as follows:

	Six months ended 30 June	
	2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>
Continuing operations		
Tele-media business:		
– advertising and service income, and sales of internet games products	70,026	57,162
Lottery-related business:		
– service income	–	29,164
	<u>70,026</u>	<u>86,326</u>
Discontinued operations		
Mobile games business:		
– sales of mobiles games and mobile communication products	–	926,425
	<u>70,026</u>	<u>1,012,751</u>

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2016 (Unaudited) <i>HK\$'000</i>	2015 (Unaudited) <i>HK\$'000</i>
Interest income	1,437	353
Net foreign exchange gains	188	737
Others	38	1,320
Loss on disposal of property, plant and equipment	(41)	–
	<u>1,622</u>	<u>2,410</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

Continuing operations	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	2,573	4,656
Amortisation of intangible assets	32,223	31,826
Carrying amount of inventories sold	521	10,791
Auditor's remuneration	85	80
Staff costs (excluding directors' remuneration)		
Salaries and wages	6,512	8,528
Pension fund contributions	913	1,459
Share-based payments	–	49,974
	<u>7,425</u>	<u>59,961</u>

8. INCOME TAX CREDIT

Taxation in the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Deferred taxation		
– attributable to the reversal of temporary differences	<u>651</u>	<u>696</u>

Pursuant to this income tax rules and regulations of the PRC, the provision for PRC income tax of the subsidiaries of the Group is calculated based on the statutory tax rate of 25%, except for VODone Information Engineering Co. Ltd (“TMD2”) which is recognised as a high-technology company according to PRC tax regulations and is entitled to a preferential tax rate of 15%.

9. DISCONTINUED OPERATIONS

On 10 August 2015, the Group disposed of CMGE to an independent third party.

Income from discontinued operations for the six months ended 30 June 2015 is set out below:

	<i>HK\$'000</i> (Restated)
Revenue	926,425
Cost of revenue	<u>(346,264)</u>
Gross profit	580,161
Other gains and losses	3,034
Selling and marketing expenses	(260,655)
Administrative expenses	(216,358)
Share of profit of a joint venture	604
Share of loss of an associate	<u>(46)</u>
Profit before income tax	106,740
Income tax expenses	<u>(13,318)</u>
Profit for the period from the discontinued operations	<u><u>93,422</u></u>

For the purpose of presenting the above discontinued operations, the comparative condensed consolidated statement of comprehensive income has been represented as if the operations discontinued during the period had been discontinued at the beginning of the comparative period.

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

Earnings/(loss) attributable to the owners of the Company

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
– From continuing operations	(129,504)	(137,052)
– From discontinued operations	<u>–</u>	<u>43,954</u>
	<u>(129,504)</u>	<u>(93,098)</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings/(loss) per share	<u>3,297,925,262</u>	<u>3,297,925,262</u>

The computation of diluted earnings/(loss) per share for the six months ended 30 June 2016 and 2015 does not assume exercise of the outstanding share options as they had an anti-dilutive effect on the earnings/(loss) per share calculation.

From continuing and discontinued operations

Loss per share

	Six months ended 30 June	
	2016 (Unaudited) <i>HK Cents</i>	2015 (Unaudited) <i>HK Cents</i>
– Basic	<u>(3.93)</u>	<u>(2.82)</u>
– Diluted	<u>(3.93)</u>	<u>(2.82)</u>

From continuing operations

Loss per share

	Six months ended 30 June	
	2016 (Unaudited) <i>HK Cents</i>	2015 (Unaudited) <i>HK Cents</i>
– Basic	<u>(3.93)</u>	<u>(4.16)</u>
– Diluted	<u>(3.93)</u>	<u>(4.16)</u>

From discontinued operations

Earnings per share

	Six months ended 30 June	
	2016 (Unaudited) <i>HK Cents</i>	2015 (Unaudited) <i>HK Cents</i>
– Basic	<u>–</u>	<u>1.34</u>
– Diluted	<u>–</u>	<u>1.34</u>

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately HK\$14,000 (2015: HK\$12,167,000).

12. INTERESTS IN ASSOCIATES

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Share of net liabilities	(16,365)	(16,779)
Goodwill	56,450	57,718
	<u>40,085</u>	<u>40,939</u>

Particulars of the Group's associates are as follows:–

Name of company	Form of business structure	Place of incorporation and operation	Percentage of ownership interests/ voting rights/ profit share	Principal activity
VODone Datamedia Technology Co., Ltd (“TMD1”)	Corporation	PRC	49%	Provision of tele-media business support and content services
北京迷你威網絡科技有限公司	Corporation	PRC	49%	Inactive

Summarised financial information (material associate):

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Total assets	127,795	87,648
Total liabilities	(161,623)	(122,397)
Net liabilities of the associate	<u>(33,828)</u>	<u>(34,749)</u>
Carrying amount of the Group's interest in an associate	<u>39,876</u>	<u>40,691</u>
	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue	<u>59,115</u>	<u>75,112</u>
Profit for the period	<u>161</u>	<u>170</u>
Group's share of the associate's profit for the period	<u>79</u>	<u>84</u>

13. GOODWILL

	<i>HK\$'000</i>
Cost:	
At 1 January 2015	978,442
Derecognised on disposal of subsidiaries	(506,869)
Exchange adjustments	<u>(25,516)</u>
At 31 December 2015	446,057
Exchange adjustments	<u>(9,788)</u>
At 30 June 2016	<u>436,269</u>
Accumulated impairment losses:	
At 1 January 2015	35,585
Derecognised on disposal of subsidiaries	<u>(35,585)</u>
At 31 December 2015	–
Exchange adjustments	<u>–</u>
At 30 June 2016	<u>–</u>
Carrying amount:	
At 30 June 2016 (unaudited)	<u><u>436,269</u></u>
At 31 December 2015 (audited)	<u><u>446,057</u></u>

Goodwill is allocated to the Group's cash generating units ("CGUs") identified to country of operation and business segment. The carrying amounts as at 30 June 2016 were related to the Group's tele-media service business in the PRC.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The Group engaged a professional appraiser to conduct valuations of the intellectual properties, including patent, trademarks and related technologies, to test goodwill created from acquiring the CGUs.

14. TRADE RECEIVABLES

An aging analysis of the trade receivables as at the end of reporting period, based on invoice date, is as follows:

	As at 30 June 2016 (Unaudited) <i>HK\$'000</i>	As at 31 December 2015 (Audited) <i>HK\$'000</i>
Within 1 month	–	2
7 to 12 months	2	–
Over 1 year	<u>53</u>	<u>8,375</u>
	<u><u>55</u></u>	<u><u>8,377</u></u>

The credit period of the Group's trade receivables ranges from 30 days to 180 days.

15. OTHER FINANCIAL ASSETS

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Current portion:-		
Available-for-sale financial assets:-		
Compensation arising from profit guarantee arrangement of – 3GUU Group (<i>note (a)</i>)	4,295	5,506
	<u>4,295</u>	<u>5,506</u>
Non-current portion:-		
Available-for-sale financial assets:-		
– Investment funds (<i>note (b)</i>)	65,396	–
	<u>65,396</u>	<u>–</u>

Note:

- (a) Pursuant to the profit guarantee arrangement in relation to the acquisition of 3GUU Group, the Company is entitled to recover the related consideration shares at no cost as the actual result of 3GUU Group for the year ended 31 December 2013 was less than the relevant profit target. The Company has decided not to recall the consideration shares and asked the vendors to dispose of the related shares to settle the compensation in cash. Further, as the value of the surrendered consideration shares was insufficient to cover the shortfall in the profit guarantee arrangement, the vendors had agreed to dispose part of their interests in CMGE and pay the Company the sale proceeds to make good the shortfall in actual profit of 3GUU Group. Compensation is determined on the agreed number of shares to be disposed of at their fair value at the end of reporting period. The compensation is classified as available-for-sale financial asset in the condensed consolidated statement of financial position. It is carried at fair value with changes in fair value recognized in the other comprehensive income.
- (b) On 14 December 2015, the Company entered into a Limited Partnership Agreement (the “Agreement”) to subscribe, as a limited partner, in the total amount of US\$31,250,000 (equivalent to HK\$242,390,000) of China Prosperity Capital Mobile Internet Fund, L.P. (the “Mobile Internet Fund”). The timing of capital contribution of the investment is generally on an “as needed” basis. This Mobile Internet Fund was established principally to achieve long-term capital appreciation primarily through privately-negotiated investments in equity and/or equity-related securities of companies that operate in or otherwise derive significant business opportunities from the mobile internet sector, its related technologies, products and services. The Group is a limited partner in this Mobile Internet Fund and does not have control nor significant influence in this Mobile Internet Fund’s operational and financing decisions. The directors of the Company (“Directors”) classified the investment as an available-for-sales financial asset. The Directors consider that there was no significant change in the fair value of the investment from the dates of acquisition to 30 June 2016 as underlying investment projects are at a startup stage.

16. HELD-TO-MATURITY FINANCIAL ASSETS

The Group’s held-to-maturity financial assets represent debt securities that are issued by commercial banks with original maturities over three months, carry fixed interests ranging from 1.19% to 1.20% per annum and will mature in December 2016.

17. TRADE PAYABLES

Generally, the credit term received from suppliers of the Group is 30 days. An aging analysis of the trade payables as at the end of reporting period, based on invoice date is as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Over 1 year	<u>80</u>	<u>82</u>

18. SHARE CAPITAL

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
<i>Authorised:</i> 50,000,000,000 ordinary shares of HK\$0.01 each	<u>500,000</u>	<u>500,000</u>
<i>Issued and fully paid:</i> 3,297,925,262 (31 December 2015: 3,297,925,262) ordinary shares of HK\$0.01 each	<u>32,979</u>	<u>32,979</u>

There was movement in the issued share capital of the Company during the period.

19. OPERATING LEASE ARRANGEMENTS

	Six months ended 30 June	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
Minimum lease payments paid under operating leases	<u>5,391</u>	<u>22,368</u>

At 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases in respect of its premises falling due as follows:

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Within one year	8,391	7,979
In the second to fifth years, inclusive	<u>2,216</u>	<u>5,664</u>
	<u>10,607</u>	<u>13,643</u>

20. COMMITMENTS

	As at 30 June 2016 (Unaudited) HK\$'000	As at 31 December 2015 (Audited) HK\$'000
Contracted, but not provided for:		
– Investment of investment fund (note 15(b))	<u>176,994</u>	<u>242,209</u>

21. SHARE-BASED PAYMENT

Equity-settled share option scheme of the Company

On 27 April 2012, the shareholders of the Company approved a new share option scheme (the “V1 Group Scheme”) and adopted the same on 30 April 2012, and terminated the share option scheme adopted on 7 June 2002 (the “Old V1 Group Scheme”).

Under the V1 Group Scheme, the directors may, at their discretion, invite any eligible participants to take up options to subscribe for shares in the capital of the Company. The exercise price for the share options shall be determined in accordance with the V1 Group Scheme and the relevant provisions of the Listing Rules. The costs for the value of the grant of share options were recognised as an expense during the period.

During the six months ended 30 June 2016, no share options were exercised by the option holders.

22. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the period:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Service fee income earned from an associate, TMD1	<u>69,739</u>	<u>74,736</u>
Management fee charged by TMD1	<u>104,661</u>	<u>64,509</u>

- (b) The remuneration of directors and other member of key management during the period are as follows:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short term benefits	6,972	6,620
Share-based payments	–	5,355
	<u>6,972</u>	<u>11,975</u>

- (c) The amounts due from related companies are interest-free, unsecured and repayable on trading terms.
- (d) The amount due from an associate mainly arising from the trading transactions detailed in note (a) above is unsecured, interest free and repayable on demand.

23. EVENT AFTER THE REPORTING PERIOD

On 22 August 2016, the Group entered into a share purchase and subscription agreement (the “Agreement”) with Mr. Liu Haijiang and CATV Group Limited (“CATV”), all being independent third parties of the Company, for the acquisition of 10,000,000 shares (the “Sale Shares”), representing approximately 40% of the total issued shares of CATV for a cash consideration of HK\$15,000,000 and the subscription of 12,500,000 new shares (the “Subscription Shares”), representing approximately 33.33% of the total issued shares of the CATV as enlarged by the allotment and issue of the Subscription Shares for a cash consideration of HK\$17,500,000. Upon completion of the acquisition of the Sale Shares and the subscription of the Subscription Shares, the Group will be interested in 22,500,000 shares in total, representing 60% of the total issued shares as enlarged by the allotment and issue of the Subscription Shares of CATV. Up to the date of the financial statements, acquisition of the Sales Shares has been completed.

24. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were reviewed by the audit committee of the Company and approved and authorised for issue by the Board on 26 August 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover of the Group for the six months ended 30 June 2016 amounted to HK\$70,026,000 representing a decrease of around 18.9% as compared with the corresponding period last year. Loss attributable to the owners of the Company for the period from continuing operations was HK\$129,504,000, representing a decrease of around 5.5% as compared with the corresponding period last year.

BUSINESS REVIEW AND DEVELOPMENT

- **Tele-media Business**

V1 New Media

In an era of mobile Internet and Internet Plus, V1 Group deployed its diversified development strategy and created a new operating model of virtual reality (“VR”)+short videos aggregation+Internet celebrities.

Creating VR Platform Distribution Model and Opening Up VR Industry Chain Resources

In 2016, V1 Group has created a VR whole industry chain, and launched a panoramic VR channel in March 2016 which gathers the latest VR video contents worldwide to offer users a brand new visual experience, and pioneered panoramic VR live streaming services, aiming at an all-round development of VR business marketing.

In March 2016, V1 Group worked with HTC, Xiaomi VR (小米VR), Perfant (完美幻境), LING VR BAI (靈境小白), Renmin Ribao (人民日報), Beijing Youth Daily (北京青年報), Xinhua Times (新華時報), TouTiao.com (今日頭條), Yidianzixun.com (一點資訊) and LeTV to launch VR aggregation, original VR, news, public welfare, tourism, distribution, customization and other diversified business modules and initiate panoramic VR live stream services. In addition, it formed original VR content alliances with over one hundred media outlets including Renmin Ribao, NetEase News (網易新聞), and TouTiao.com, and established strategic cooperation on VR contents with over 80% of smartphone manufacturers, such as HTC, Xiaomi, Samsung (三星), Dapeng (大鵬) and etc.. By doing so, V1 Group was able to focus its VR live stream services on major entertainment, economic and commercial events, and successfully provided VR live stream of nearly a dozen of events including music concerts, news conferences, and major news events. With its full access to the VR industry chain resources, V1 Group will offer multifaceted VR commercial marketing businesses.

Innovative VR Commercialization Models

While breaking through the VR industry chain resources, V1 Group has also rolled out some operating models like independent VR mobile applications, paid quality contents, membership, VIP and fans tipping (粉絲打賞), of which the membership is linked with e-commerce resources to achieve bundled sales. In addition, V1 Group will cooperate with VR hardware manufacturers to produce all quality Internet celebrities contents into videos, making them more professional and achieve multi-platform distribution, thereby creating quality intellectual properties (“IP”) and commercializing such IP to diversify income streams by innovative VR commercialization models.

Developing Internet Celebrity Economy and Innovative Business Model

In June 2016, V1 Group started developing Internet celebrity and fans economy in cooperation with Kuai Yue Xing (快約星) and Ren Min Ming Xing (人民明星), invited over 300 stars and few hundreds of Internet celebrities to put a novel business model – VR live streaming/live streaming+stars+brands into practice, striving to build the two products – “Star/Internet Celebrity Carnival Live Show” (明星／網紅直播嘉年華) and “Star/Internet Celebrity Endorsement through Weibo” (明星／網紅微代言). Supported by V1 Group’s strong technical and network resources and hot topics created by Kuai Yue Xing and Ren Min Ming Xing through stars and Internet celebrities, it is aimed to create quality IP through fans’ voluntary sharing and establish such business models as title sponsorship and product placement, thereby maximizing the fans economy.

Partnering with News Media to Establish Live Streaming Services

V1 Group partnered with over one hundred media outlets including Renmin Ribao, NetEase News and Sohu Video (搜狐視頻) to ensure live coverage on a timely basis and platform-wide distribution of a number of major news events, such as “Attention to Typhoon Nepartak, reporting the main flood disaster zone in Minqing, Fujian” (關注颱風尼伯特，直擊福建閩清洪災重災區) and “Juno probe enters orbit around Jupiter starts up the science instruments” (朱諾號進入木星軌道開啟科學勘測設備). Through offering a full coverage of major events, V1 Group has managed to steer public opinion to the right direction, keep improving the quality of its news coverage and bring the necessity of live streaming of major news events to a higher level.

In addition, V1 Group engaged a number of Professional Generated Content (PGC) providers for consolidation and subdivision of 30 video categories, including news, entertainment, comedy, skits, nymphs, etc., offering truly a mega collection of videos that users can enjoy anytime.

Brand Promotion

In respect of brand building, V1 Group has launched “V1 Group conspires with Sabei Nan and Ethan Ruan” (第一視頻與撒貝南阮經天密謀), “Female version of Song Joong-ki stuns at Beijing International Automotive Exhibition” (女版宋仲基引爆北京國際車展) and “V1 Group’s Internet celebrities having a party at GMIC” (第一視頻網紅GMIC開趴) and other activities successively and placed advertisements in various buildings, LCD displays and residential communities. Besides, V1 Group held various online events jointly with VR glasses manufacturers to increase the utilisation of VR glasses. V1 Group is also planning to work with some physical stores to conduct brand activities for further promoting VR and enhancing users experience, aiming at further penetration into various user bases and continuous enhancement of brand awareness.

Winning Major Industry Awards and Recognition Among all Walks of Life

V1 Group was recognized by many platforms and won a number of industry awards. V1 Group was ranked 38th among China’s Top 100 Internet Companies 2016, and was successively awarded the “Most Innovative Industry Award” (最具行業創新獎) at the 15th China Internet Conference 2016 and the “Most Popular Mobile APP Award for Chinese New Media” (中國新媒體最具人氣移動APP獎) by China Electronic Commerce Association at the 2016 New Media Gateway Conference of China.

V1Game Business

V1Game (www.v1game.cn)

In the first half of 2016, V1Game continued to push ahead at a steady pace in respect of web game products, keep enriching gameplays through enhancing product development and visual effects in order to maximize the game product life. Though the publication of web game products in the PRC decreased by approximately 20% year on year in 2016, V1Game’s web game platform was able to maintain its performance indicators.

In respect of operating models, V1Game paid close attention to game product data monitoring and customer experience and increased platform-supporting operating activities at different time periods, which helped to improve user retention rate and pay rate as compared to 2015. In respect of customer maintenance, V1Game also made considerable improvement by expanding its customer service team, providing monthly professional trainings and product trainings to its customer service staff and optimizing the 24-hour butler services offered to its VIP customers. V1Game’s web game platform saw a big rise in customer satisfaction and a considerable increase in user retention rate.

V1H5 Platform (www.v1h5.cn)

It is not only a year of explosive growth for H5 games in 2016, but also the Year of Sports for China. V1H5 platform is the backbone of V1Game and V1Game has shifted its business focus to the research and development of H5 games, it is not only expanding its marketing, research and development and technical departments, but also establishing a special project team to take charge of product development and operation.

Meanwhile, V1H5 Platform was the first to raise the concept of “Interaction between Sports and Games”(體遊互動) for competitive sports games, developed a H5 game on sports competition named “It’s up to Fans”(球迷製造) which represents a perfect combination of real sports and games and aims at promoting the development of sports in the PRC while enhancing the fun and communication of sports games, thereby turning more people into sports game lovers in the PRC. In respect of gameplay, players of “It’s up to Fans” may participate in real-time sports matches through a game mode, combining gameplayers with real sports games. As for brand promotions, “It’s up to Fans” worked with Focus Media (分眾傳媒) to deliver the “It’s up to Fans” video advertisements in over 1,200 cities across the PRC before, during and after the UEFA European Championship, achieving a football frenzy both online and offline during that period of time.

“It’s up to Fans” has been well-received by sports media and H5 peers since its launch, with the number of its customers swiftly exceeding 100,000 and revenue hitting record high, laying a solid foundation for the subsequent events for the upcoming Olympic Games. In addition, V1Game has reached intent on cooperation with major sports media outlets such as Tencent Sports (騰訊體育), Sohu Sports (搜狐體育), LeTV Sports (樂視體育), Super Sports (新英體育) and 360 Platform (360平台).

V1H5 Platform will also launch more games with “Interaction between Sports and Games” concept in the future and advocate the idea of “Sports for all, games for all” (全民體育、全民遊戲) aiming at creating the first social competitive sports games platform in the PRC.

- **Lottery-related business**

Zhongguozucaiwang (中國足彩網) (www.zgzcw.com) and Diyicai (第一彩) (www.diyicai.com)

Due to promulgation of the Notice of General Administration of Sport on the Practical Implementation of Special Audit Opinions on Lottery Funds to Strengthen the Sports Lottery Management (《體育總局關於切實落實彩票資金專項審計意見加強體育彩票管理工作的通知》) by the General Administration of Sport of the PRC and the Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet (《關於開展擅自利用互聯網銷售彩票行為自查自糾工作有關問題的通知》) jointly promulgated by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of the PRC in March 2015, V1 Group’s lottery-related business has been suspended since then.

FINANCIAL REVIEW

Business Segments

	Tele-media business		Lottery-related business		Mobile games business		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>70,026</u>	<u>57,162</u>	<u>-</u>	<u>29,164</u>	<u>-</u>	<u>926,425</u>	<u>70,026</u>	<u>1,012,751</u>
Reportable segment profit/(loss)	<u>(70,423)</u>	<u>(86,767)</u>	<u>(19,697)</u>	<u>(17,829)</u>	<u>-</u>	<u>106,740</u>	<u>(90,120)</u>	<u>2,144</u>

Tele-media Business

The tele-media business contributed a turnover of HK\$70,026,000 to the Group for the six months ended 30 June 2016, representing an increase of around 22.5% as compared with HK\$57,162,000 for the corresponding period last year. Segment loss was HK\$70,423,000 for the period as compared with HK\$86,767,000 for the corresponding period last year.

The growth of tele-media business was driven by the success of newly launched game platforms. During the period, the number of users of our game platforms increased steadily. Pay rate and user retention rate are on the rise. Segment loss was minimised during the period as a result of stringent cost control management, though the Group will continue to devote resources to enhance its games' distribution platform and develop new businesses.

Lottery-related Business

For the six months ended 30 June 2016, the Group's lottery-related business remained temporarily suspended due to the suspension of the operations of online sale of paperless lottery tickets and sale of lottery tickets through mobile phones of the Group's business partners in Mainland China with effect from 1 March 2015. Segment loss was HK\$19,697,000 as compared with HK\$17,829,000 for the corresponding period last year.

The Group's business partners will observe and comply with any new rules and regulations promulgated by the relevant PRC regulatory authorities and make adjustments to their operations of online sale of lottery tickets and sale of lottery tickets through mobile phones where necessary. The Group will actively cooperate with its business partners with an aim to resume lottery-related business as soon as possible.

Mobile Games Business

After the Group disposed of its entire interest in CMGE on 10 August 2015, the Group's mobile games business has discontinued and the revenue and profit of mobile game business have ceased to be recognised in the Group's revenue and result since then.

Contingent Liabilities

As at 30 June 2016, the Group had no significant contingent liabilities.

Liquidity and Financial Resources

As at 30 June 2016, the Group had HK\$940,469,000 cash and cash equivalents (31 December 2015: HK\$1,591,389,000). Working capital was HK\$1,383,084,000 as compared with the working capital of HK\$1,547,429,000 at the end of last year. Since the Group generates most of the revenue and incurs most of the costs in Renminbi, there was no material foreign exchange risk. As at 30 June 2016, the Group's current ratio was 8.8 (31 December 2015: 11.5). Taking into account the financial resources available, the directors ("Director") of the Company are of the view that the Group will have sufficient working capital for its present requirement.

Capital Structure

As at 30 June 2016, total assets of the Group amounted to HK\$2,949,269,000 (31 December 2015: HK\$3,067,962,000) which were substantially financed by shareholders' fund of HK\$2,717,207,000 (31 December 2015: HK\$2,865,232,000). There is no change to the Group's capital structure for the period and the number of the issued shares of the Company was 3,297,925,262 shares. The Group's capital structure, as well as cash inflow, are therefore very healthy.

EMPLOYEES REMUNERATION AND BENEFITS

As at 30 June 2016, the Group had a total of 265 employees. They include the management and the employees in administration, production and sales departments. The Group regularly reviews its professional team members and will expand its management team whenever necessary.

The Group remunerates the Directors and its staff primarily based on their contribution, responsibilities, qualification and experience. The Group has implemented staff stock option plans. The Group has granted options to the Directors and other employees to encourage them towards enhancing the value of the Group and promote the long-term growth of the Group.

Furthermore, the Group offers training programs for employees to upgrade their skills and knowledge on a regular basis.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2016.

CORPORATE GOVERNANCE PRACTICES

The Company had applied and complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2016 except for the deviations with explanations as set out hereunder.

According to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Up to the date of this report, the Board has not appointed an individual to the post of chief executive. The role of the chief executive has been performed collectively by all the executive Directors, particularly by the chairman of the Company. The Board considers that this arrangement is appropriate and cost effective in fastening the development of the Group, since it allows contributions from all executive Directors with different expertise and enhances coherence in planning and implementation of the policies and long term business strategies of the Company. The Board will periodically review the effectiveness of this arrangement and consider appointing an individual as chief executive when it is appropriate.

According to the code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings. Two of the independent non-executive Directors were unable to attend the annual general meeting of the Company held on 19 May 2016 due to various work commitments.

The Company has complied with the new requirements under the amendments of the CG Code relating to risk management and internal control since 1 January 2016. The Board has adopted new terms of reference for the audit committee of the Board in December 2015 to comply with the new requirements under the amendments of the CG Code.

The Board shall continue to monitor and review the Company's corporate governance practices to ensure compliance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct for securities transactions and dealings, which applies to all the relevant persons as defined in the Model Code, including the Directors, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment or involvement, are likely to come into contact or be in possession of unpublished price sensitive information in relation to the Company or its securities. Specific enquiry has been made of all the Directors who have confirmed their compliance with the required standards set out in the Model Code during the period under review.

REVIEW BY AUDIT COMMITTEE

The Group’s unaudited interim financial results for the six months ended 30 June 2016 have been reviewed by the audit committee of the Company which comprises the three independent non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the period.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company’s website (<http://ir.v1group.com.hk>) and Hong Kong Exchanges and Clearing Limited’s website (<http://www.hkexnews.hk>). The 2016 interim report will be dispatched to the shareholders of the Company and will be made available on the aforesaid websites in due course.

By Order of the Board
V1 Group Limited
ZHANG Lijun
Chairman

Hong Kong, 26 August 2016

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

Executive Directors:

Dr. ZHANG Lijun (*Chairman*)

Ms. WANG Chun

Independent non-executive Directors:

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

Prof. GONG Zhankui

Mr. WANG Linan