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偉仕佳杰
VST ECS

VST HOLDINGS LIMITED
偉仕控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 856)

DISCLOSEABLE TRANSACTION

JOINT VENTURE AGREEMENT

On 25 May 2017, the Company through one of its wholly-owned subsidiaries entered into the JV Agreement with a wholly-owned subsidiary and an associate of Tsinghua Holdings for establishing the JV Company. The JV Company will provide full value chain services including research, incubation of ventures and sales and marketing focusing on the process of converting technology into productivity, primarily through leveraging on the scientific research and talents advantage of Tsinghua University, the management experience in financial investment and related project resources of Tsinghua Asset Management, and the Group's well-established channel network in the technology industry and strong bases for serving the upstream and downstream supply chain. The JV Company's scope of business includes (but not limited to) the provision of supply chain finance, consumer finance, new retail and industrial merger and acquisitions and investments relating to the technology sector.

Upon completion of capital contribution by each of the parties, the JV Company will be held as to 55% in aggregate by the subsidiary and the associate of Tsinghua Holdings and as to 45% by the Company, respectively.

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules is more than 5% but less than 25%, the JV Agreement relating to the formation and management of the JV Company constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to announcement and reporting requirements under the Listing Rules.

INTRODUCTION

On 25 May 2017, the Company through one of its wholly-owned subsidiaries entered into the JV Agreement with a wholly-owned subsidiary and an associate of Tsinghua Holdings for establishing the JV Company. The principal terms of the JV Agreement are set out below:

JV AGREEMENT

Date

25 May 2017

Parties

- (i) VST Investments
- (ii) Tsinghua Asset Management
- (iii) Tsingstone Capital

VST Investments was incorporated in Hong Kong and is a wholly-owned subsidiary of the Company. Its principal business is to operate the investment segment of the Company.

Tsinghua Asset Management was established in the PRC and is a wholly-owned subsidiary of Tsinghua Holdings, a PRC state-owned enterprise which is controlled by Tsinghua University of Beijing, and principally engages in businesses within the information technology sector, life science sector, finance sector and energy and resources sector. Tsingstone Capital was established in the PRC and is an associate of Tsinghua Holdings. Tsinghua Asset Management is the operating platform of Tsinghua Holdings for its financial asset investment business, and Tsingstone Capital primarily provides asset and investment management services.

To the best knowledge, information and belief of the Directors after making all reasonable enquiries, Tsinghua Asset Management and Tsingstone Capital and their ultimate beneficial owner(s) are Independent Third Parties.

Scope of business

The scope of businesses of the JV Company to be established includes (but not limited to) the provision of supply chain finance, consumer finance, new retail and industrial merger and acquisitions and investments relating to the technology sector.

Investment commitment and capital contribution

The total investment commitment in the JV Company is RMB1 billion (approximately HK\$1.2 billion). The registered capital of the JV Company is RMB500 million (approximately HK\$600 million) and will be contributed by the parties to the JV Agreement in the following manner: (i) VST Investments will contribute RMB225 million (approximately HK\$270 million) in return for 45% of the registered capital in the JV Company by the end of July 2017; (ii) Tsinghua Asset Management will contribute RMB200 million (approximately HK\$240 million) in return for 40% of the registered

capital in the JV Company by the end of December 2017; and (iii) Tsingstone Capital will contribute RMB75 million (approximately HK\$90 million) in return for 15% of the registered capital in the JV Company by the end of December 2017.

The capital contribution to be made to the JV Company by VST Investments was arrived at after arm's length negotiation between the parties to the JV Agreement with reference to the working capital requirement of the JV Company and is expected to be funded by internal resources of the Company.

Board composition

The board of the JV Company will consist of five directors, each of Tsinghua Asset Management and VST Investments will be entitled to appoint two directors and the remaining one director will be appointed by Tsingstone Capital. The chairman and vice chairman of the JV Company will be appointed by VST Investments and Tsinghua Asset Management respectively. The management of the business and affairs of the JV Company will rest with the board of the JV Company.

Term

The JV Agreement will take effect upon the issue of the business license of the JV Company by the relevant PRC government authority, and will continue in full force and effect for 20 years or until terminated in accordance with its terms. The equity holders of the JV Company shall discuss if the JV Agreement shall be renewed within one year prior to the end of the first or each new 20 years period and if the parties agree to renew, the parties shall arrange for registration of such renewal no later than 6 months prior to the end of the first or each new 20 years period. The renewal of the JV Agreement shall only be effective upon the approval by the relevant PRC government authority.

REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in provision of supply chain services, the distribution of information technology products and the provision of enterprise systems and IT services through a worldwide network of subsidiaries.

Tsinghua Holdings, the parent company of Tsinghua Asset Management and an associate of Tsingstone Capital, is a state-owned enterprise in the PRC, which is controlled by Tsinghua University of Beijing. The businesses of Tsinghua Holdings comprise various business segments in the information technology, life science, finance, energy and resources sectors, which are operated through certain listed companies in the PRC and other professional groups controlled by Tsinghua Holdings.

Having considered the respective advantages of the Group and Tsinghua Holdings, the parties to the JV Agreement decided to join forces and establish the JV Company in the PRC. The strategic alliance under the JV Agreement will allow the JV Company to provide full value chain services including

research, incubation of ventures and sales and marketing focusing on the process of converting technology into productivity, primarily through leveraging on the scientific research and talents advantage of Tsinghua University, the management experience in financial investment and related project resources of Tsinghua Asset Management, and the Group's well-established channel network in the technology industry and strong bases for serving the upstream and downstream supply chain. The Group has been actively working with well-known IT enterprises in the world such as Microsoft, Intel and Huawei, and has established a pool of partners. The synergies between the Group and Tsinghua Holdings will allow the JV Company to operate as a platform for Tsinghua Holdings through combining new industries and finance to increase sales and market competitiveness of the Group's technology products and consolidate the Group's leadership in the technology industry by offering various financial services and industrial merger and acquisition and reorganization in the technology industry.

In view of the aforesaid, the Group believes that the formation of the JV Company is a positive strategic move, which will benefit the Shareholders in the long run.

Accordingly, the Board considered that the JV Agreement was arrived after arm's length negotiations between the parties thereto, and is of the view that the terms of the JV Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to the Listing Rules is more than 5% but less than 25%, the JV Agreement relating to the formation and management of the JV Company constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to announcement and reporting requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“associate”	has the meaning ascribed to it under the Listing Rules
“Company”	VST Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“JV Agreement”	a joint venture agreement dated 25 May 2017 entered into by VST Investments, Tsinghua Asset Management and Tsingstone Capital in relation to the formation and management of the JV Company
“JV Company”	VSTAM Technology Development Limited (清控偉仕科技發展有限公司)(final name subject to confirmation by the relevant government authorities in the PRC), a company to be established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement shall exclude Hong Kong Special Administrative Region, Macau Special Administration Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tsinghua Holdings”	Tsinghua Holdings Company Limited* (清華控股有限公司), a PRC state-owned enterprise
“Tsinghua Asset Management”	Tsinghua Asset Management Co., Ltd.* (清控資產管理有限公司), a company established in the PRC with limited liability
“Tsingstone Capital”	Tsingstone Capital Management (Shanghai) Limited* (清石資產管理(上海)有限公司), a company established in the PRC with limited liability
“VST Investments”	VST Investments (HK) Limited (偉仕投資(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“%”

percentage or per cent

For ease of reference, the names of companies and entities established in the PRC have been included in this announcement in English by way of translation if such Chinese entities do not have an English name as part of their legal name. If there is any inconsistency between the Chinese names of the Chinese entities mentioned in this announcement and their English translations, the Chinese version shall prevail. English translations of company names in Chinese which are marked with “” are for identification purposes only.*

For convenience only and unless otherwise noted, all translations from RMB into HK\$ in this announcement were made at the rate of RMB1 to HK\$1.2. No representation is made that the RMB or HK\$ amounts referred to in this announcement could have been or could be converted into RMB or HK\$, as the case may be, at any particular rate or at all.

By Order of the Board
VST Holdings Limited
Yue Cheuk Ying
Company Secretary

Hong Kong, 25 May 2017

As at the date hereof, the Board comprises Mr. Li Jialin, Ms. Chow Ying Chi, Mr. Ong Wei Hiam, William, Mr. Chan Hoi Chau, Mr. Li Yue and Mr. Yao Jie as executive directors; Mr. Liang Xin as non-executive director; and Mr. Li Wei, Mr. Lam Hin Chi, Mr. Hung Wai Man and Mr. Wang Xiaolong as independent non-executive directors.