

【Immediate Release】



VST and Tsinghua Holdings Establish a Joint Venture Company to Deeply Cultivate “Techonology+Finance” and Create an Innovative Ecology

(Hong Kong, 25 May 2017) **VST Holdings Limited** (“VST”, “VSTECS” or “The Company”, together with its subsidiaries the “The Group,” HKSE stock code: 00856.HK), the largest technology product solutions and supply chain services platform in Asia Pacific announces to establish a joint venture company with **Tsinghua Holdings Company Limited** (“**Tsinghua Holdings**”), a comprehensive company for industry-university-research integration with dedication to innovative strategy. This initiative is aimed at mutually combining industrial advantages of both technology and finance, focusing on “Quality Life for Enterprises and Consumers” and creating an innovative ecology of “Techonology+Finance”. It is expected to upgrade the the Group’s competitiveness, expand the Group’s sales channels and increase sales volume and profit.

According to the agreement, the Company through VST Investments (HK) Limited, one of its wholly-owned subsidiaries entered into a joint venture agreement with Tsinghua Asset Management Co., Ltd., a wholly-owned subsidiary of Tsinghua Holdings and Tsingstone Capital Management (Shanghai) Limited, an associate of Tsinghua Holdings for establishing the joint venture company. The joint venture company’s scope of business includes (but not limited to) provision of the supply chain finance, consumer finance, new retail and industrial merger and acquisition and investments relating to the technology sector. The total investment commitment in the joint venture company is RMB1 billion (approximately HK\$1.2 billion). The registered capital of the joint venture company is RMB500 million (approximately HK\$600 million). VST Investments will contribute RMB225 million (approximately HK\$270 million) in return for 45% of the joint venture company’s equity. The wholly-owned subsidiary and associate of Tsinghua Holdings will contribute RMB275 million (approximately HK\$330 million) in return for 55% of the equity.

VST Investments is a wholly-owned subsidiary of the Company which principally operates the investment segment. Tsinghua Holdings is a PRC state-owned enterprise which is controlled by Tsinghua University and principally engages in the business within six major industrial clusters from industrial incubators, sci & tech (integrated circuit, environment-friendly energy, life & health), innovative service, tech & finance, innovative

industry to online education. Tsinghua Asset Management is a wholly-owned subsidiary of Tsinghua Holdings which is also positioned as the platform of Tsinghua Holdings for its financial asset investment business. Tsingstone Capital is an associate of Tsinghua Holdings which primarily provides asset and investment management services.

Mr. Jialin LI, Chairman and CEO of VST Holdings Limited, said: "The internet era has entered into a new development phase, innovative intelligent technology is currently changing at fast pace. Technologies including big data, cloud computing and artificial intelligence have been generally applied into various realms which reflects the new trend of cooperation across multi sectors. VSTECS has been strategically working with leading IT enterprises in the world such as Microsoft, Amazon, Intel and Huawei to promote digitalization. As a leading enterprise in the technology sector, the Group has established a pool of quality resource. As a PRC leader and model for industry-university-research integration, Tsinghua Holdings displays an extensive and deep layout while operating in emerging sectors including technology, finance, life and health, education, etc."

"We feel so grateful to team up with such a strong partner as Tsinghua Holdings. We believe the joint venture company will efficiently integrate technology and capital as well as provide full value chain services from research, incubation of ventures to sales 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 channel network and strong bases for serving the supply chain. We anticipate the cooperation can increase sales of the Group's technology products, consolidate the Group's leadership in the technology sector and ultimately bring more prominent return to our investors." Mr. Li added.

In 2016, VSTECS successfully achieved historical high in revenue. The Group's revenue for the year was HK\$48,161,318,000 (2015: HK\$45,575,640,000). Gross profit amounted to HK\$1,856,738,000 (2015: HK\$1,697,001,000). Net profit amounted to HK\$551,915,000 (2015: HK\$450,381,000). Moreover, the Group dedicated to establishing a comprehensive platform with "Technology products + Finance + Internet value added services" to cope with rapid growing digital transformation during 2016.

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About VST Holdings Limited (Hong Kong Stock Code: 0856)

Established in 1991, VST Holdings Limited (“VSTECS”, HKSE: 00856.HK) is the largest technology product solutions and supply chain services platform in the Asia Pacific with service networks across nine countries including China. VSTECS is the partner of more than 200 IT companies in the world such as Apple, HP, Huawei, Microsoft and so on. Our products comprise of 12 categories including cloud computing, mobile interconnection, system equipment, software service, information security, computers and peripherals, infrastructure network, Internet of Things, drones, virtual reality/augmented reality, gaming and components. The Group recorded a revenue of more than HKD48.2 billion (excluded associates in Philippines and Malaysia) in 2016. In the coming 3-5 years development, VSTECS will become an industry titan with more than 100 billion in revenue through platform, ecosystem, online and offline omnichannel. VSTECS always remember the mission to lead the Asian digitalized evolution.

For more information, please visit the company’s website: www.vst.com.hk

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