



Market Announcement

20 February 2018, Vista Group International Limited, Auckland, New Zealand

Vista Group Increases Stake in Vista China

Vista Group International Limited (Vista Group) is delighted to announce that it has signed agreements which bring Vista China back as a consolidated entity of Vista Group.

Following a successful 18 month period of minority ownership, during which Vista China has almost doubled its revenue, Vista Group has agreed with its partner WePiao that the time is right for Vista Group to increase its stake and play a greater part in the future of the Vista China business.

To that end Vista Group confirms that it has signed an agreement with Beijing Weying Technology Co, Limited (WePiao) to acquire 7.9% of the equity in Vista Entertainment Solutions Limited, Shanghai (Vista China) which was held by WePiao – with the result that Vista Group and WePiao will each own 47.5% of Vista China. Through shareholder agreements Vista China will become a controlled entity within Vista Group and its results will be consolidated from the date regulatory approval is obtained.

The \$NZD7.7m price for this 7.9% stake (based on the original valuation of Vista China in 2016) has been 'set-off' against the monies outstanding from WePiao to Vista Group on the original equity purchase undertaken by WePiao in 2016.

Vista Group CEO Murray Holdaway is very pleased with the equity restructure and its ability to reflect the growth of the Vista China business directly within Vista Group's results in the future. "Vista China has grown strongly since the original JV transaction was announced in March 2016. Our partner WePiao has provided significant assistance but this change will enable Vista Group to play a greater part in the strategic and operational development of the business and benefit directly from the strong revenue growth opportunity afforded Vista China in the China film and cinema market. The Chinese cinema market is the fastest growing in the world, with Box Office revenues expected to outstrip the USA by 2020 and become the largest Cinema market in the world. Vista China is in a great position to benefit from this growth and make a very meaningful contribution towards Vista Group's performance in the future".

The transaction requires regulatory approval in China and the process to secure approval has commenced.

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