



[For immediate release]

VST BECOMES IBM'S DISTRIBUTOR FOR NOTEBOOK IN CHINA MARKET

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ENRICH PRODUCT MIX ENHANCE PROFIT GROWTH DRIVER

(Hong Kong, 6 August 2007) – **VST Holdings Limited** (“VST”) (Hong Kong Stock Code: 856), a leading distributor of IT products in China, announces that it has become the strategic partner of the world’s largest information technology service and product provider International Business Machines Corporation (“IBM”) to distribute its notebook products, ThinkPad in China market.

Mr. Li Jialin, Chairman and CEO of VST, said, “We are pleased to secure the authorized distributorship for the PRC market from such a world-renowned information technology service provider as IBM. VST not only has a solid and extensive sales network, but also equipped with abundant experience in helping various IT products to gain foothold in the PRC market. We foresee IBM can bring approximately HK\$1 billion of sales to VST in the coming years which is the significant profit growth driver of VST, thus bringing the best return to the shareholders.”

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About VST Holdings Limited

Established in 1991, VST is one of the leading distributors of IT products in China, specializing in the distribution of worldwide famous IT products and related components including Hard Disk Drive, CPU, PC motherboard, storage devices and other digital media products. The Group has solid and long-term partnerships with international renowned IT giants such as Seagate, AMD, Supermicro, Maxtor, Lexar, Corsair, Western Digital, AsRock and Patriot, etc. For further information, please visit: www.vst.com.hk

About International Business Machines Corporation (IBM)

International Business Machines Corporation (IBM) is an information technology company. IBM also provides business, technology and consulting services. The Company's major operations comprise a Global Services segment, a Systems and Technology Group, a Software segment and a Global Financing segment. IBM's business comprises three principal business segments: Systems and Financing, Software and Services. The majority of the Company's enterprise business, which excludes the Company's original equipment manufacturer technology business, occurs in industries that are grouped into six sectors: financial services, public, industrial, distribution, communications, and small and medium business. For more information, please visit: www.ibm.com

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