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INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

RE-DESIGNATION OF DIRECTOR AND CHANGE IN THE COMPOSITION OF COMPENSATION COMMITTEE AND NOMINATION COMMITTEE

The Board of Directors of Integrated Distribution Services Group Limited (the “**Company**”) hereby announce that with effect from 2 July 2007, Mr. William Winship Flanz will be re-designated as non-executive director of the Company. Mr. Flanz’s Chairmanship of the Nomination Committee remains unchanged whilst his membership of the Compensation Committee will be assumed by Dr. Fu Yu Ning on the same date. Dr. Fu Yu Ning will retire as a member of the Nomination Committee on the date of the above changes.

Mr. Flanz, aged 62, prior to the re-designation, had been an independent non-executive director of the Company since 17 August 2004 and an independent director of Li & Fung (Distribution) Limited, immediate controlling shareholder of the Company, from 30 June 1999 to 1 June 2005. Mr. Flanz is an independent non-executive director of Kerry Properties Limited. He graduated from New York University with Bachelor of Arts degree in Economics and holds an MBA from the University of Michigan. He has extensive experience and expertise in investment banking, private equity and consumer related industries. As from 2 July 2007, Mr. Flanz will become the Vice Chairman of the Board of Directors and a member of the Executive Committee of an affiliate of Li & Fung (1937) Limited, the controlling shareholder of the Company.

Save as disclosed herein, Mr. Flanz has no relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Flanz does not have any interest in the shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Flanz has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company’s Bye-laws. For the financial year ended 31 December 2006, he has received a director’s fee of HK\$80,000 as an independent non-executive director, HK\$50,000 as the Chairman of the Nomination Committee and HK\$30,000 as a member of the Compensation Committee. The basis of determining such director’s fee is set out in the Corporate Governance section of the Company’s 2006 annual report.

Save as disclosed above, the Company is not aware of any matter in relation to the re-designation of Mr. Flanz that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange and any other matter that need to be brought to the attention of the shareholders of the Company.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 27 June 2007

As at the date hereof, the executive directors of the Company are Mr. Benedict CHANG Yew Teck, Mr. Joseph Chua PHI and Mr. Rajesh Vardichand RANAVAT; the non-executive directors of the Company are Dr. Victor FUNG Kwok King, Dr. William FUNG Kwok Lun, Mr. Jeremy Paul Egerton HOBBS and Mr. LAU Butt Farn; and the independent non-executive directors of the Company are Mr. William Winship FLANZ, Mr. John Estmond STRICKLAND, Dr. FU Yu Ning and Prof. LEE Hau Leung.