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INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

EMPLOYEE STOCK SAVINGS PLAN

The Board is pleased to announce that the Company has recently launched the Employee Stock Savings Plan, pursuant to which the Eligible Employees can make monthly contributions to their broker accounts with BOCI Securities Limited, which will make bulk purchases of the Company's Shares on the Stock Exchange within the Purchase Period each month and allocate to the accounts of the respective Eligible Employees.

To encourage participation and a sense of belonging to the Company, the Company will provide the following incentives to the participants: (i) an initial incentive of 200 Shares will be granted free of charge to each participant who has enrolled in the Plan during the Initial Launch Period and (ii) an annual incentive based on 10% of the total monthly contributions in the current calendar year will be given to participants in July of the following year. The Company covers the administration fees and brokerage fees for Shares purchased under the Plan.

No shareholders' approval is required to approve the Plan, and this announcement is made to provide information to enhance the transparency of the Plan.

The board of directors of Integrated Distribution Services Group Limited (the "**Company**") is pleased to announce that the Company has recently launched the Employee Stock Savings Plan (the "**Plan**"). Below is a summary of the terms of the Plan:

Purpose and Objectives

To incentivize employees, align employees' long-term interest with the Company's interest and promote employees' performance towards the Company's success.

Administration

The Plan shall be subject to the administration of the Board in accordance with the Plan.

Eligible Employees

All full-time permanent employees of the Company and its subsidiaries (collectively the “**Group**”) except for:

- Directors of the Company;
- Employees who are in possession of price-sensitive information;
- Employees in countries which are subject to local regulatory restriction; and
- Employees earning below a basic salary of HK\$6,700 or local currency equivalent.

During the initial launch period from 7 July 2008 to 22 August 2008 (the “**Initial Launch Period**”), 314 Eligible Employees have enrolled in the Plan.

Operation

Eligible Employees who enrol for participation in the Plan shall open brokerage accounts with BOCI Securities Limited (“**BOCI**”) through the Company. Each Eligible Employee can make fixed sum monthly contributions of (a) a minimum of HK\$1,000 or local currency equivalent per month and (b) a maximum of 15% of his monthly basic salary or HK\$5,000 per month or local currency equivalent (whichever is the lower) to his brokerage account and such monthly contributions are required to be made for at least 12 consecutive months.

Upon receipt of the monthly contributions, BOCI will make bulk purchases of the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) during the 12th-15th days (or such longer period as BOCI and the Company may agree from time to time having regard to the circumstances of the purchase concerned) on which the Stock Exchange is open for dealing in securities (the “**Purchase Period**”) each month and allocate to the accounts of the respective Eligible Employees. Barring unforeseen circumstances, the Company expects the first bulk purchase of the Shares under the Plan to take place in October 2008.

Joining the Plan after the Initial Launch Period and terminating monthly contributions after a minimum of 12 consecutive monthly contributions by the participants are allowed on a quarterly basis, i.e. in January, April, July and October.

To encourage participation and a sense of belonging to the Company, the Company will provide the following incentives to the participants:

- a one-off *initial incentive* of 200 Shares (the “**Granted Shares**”) will be granted free of charge to each participant who has enrolled in the Plan during the Initial Launch Period, provided that the participant:
 - remains a permanent full-time employee of the Group for the entire period from date of registration to 1 October 2009;
 - has not terminated his monthly contribution to the Plan before 1 October 2009; and
 - is not allowed to sell the Granted Shares before 1 October 2009,otherwise the entire cost of the Granted Shares will be repaid to the Company.

- an *annual incentive* based on 10% of the total monthly contributions in the current calendar year will be given to participants in July of the following year provided that as of 30 June of the following year:
 - the Shares purchased from the total monthly contributions in the current calendar year remain unsold; and
 - the participant remains a permanent full-time employee of the Group.

Participants are free to trade and sell Shares purchased under the Plan, provided however that to be eligible for the annual incentive as described above, participants must hold Shares purchased in the current year until 30 June of the following year.

The administration fees, brokerage fees, stamp duty and transaction levy for the Shares purchased under the Plan will be borne by the Company. The Eligible Employees will be responsible for the commission and any other fees and charges (if any) payable on sales transactions and the service fee for dividend collection.

Amendment and termination

The Company shall have the right to change, amend, suspend or terminate the Plan in its sole discretion at any time with 3 months' notice to the employees of the Group.

Others

No shareholders' approval is required to approve the Plan, and this announcement is made to provide information to enhance the transparency of the Plan.

By Order of the board of Directors
YUEN Ying Kwai
Company Secretary

Hong Kong, 27 August 2008

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