



PRESS RELEASE

IDS Group announces acquisition of PB Logistics in the UK

Gains entry into Europe to build global logistics presence

Hong Kong, 15 August 2007 – **Integrated Distribution Services Group Limited** (“the IDS Group”, or “IDS”; SEHK: 2387), an integrated-distribution and logistics services provider, today announced the acquisition of PB Logistics, the logistics arm of the UK-based Peter Black Group, specializing in the provision of supply chain management and logistics services to UK retailers and retail suppliers.

The total consideration payable by IDS will be approximately £11.53 million (HK\$180.39 million), which is equivalent to approximately 12 times the audited profit after tax of PB Logistics for the financial year ended 31 January 2007. The consideration will be financed from IDS’ internal cash reserves and bank borrowing.

Mr. Ben Chang, Group Managing Director of the IDS Group, said, “I am especially pleased about this acquisition as it offers us an entry into Europe and the opportunity to further expand our Logistics presence on a global scale. We have now successfully established a strong foothold in both the US and the UK to complement our comprehensive logistics infrastructure in Asia and provide end-to-end supply chain solutions to customers.”

PB Logistics was established in 1987 and by the end of 2007, will operate about 1.8 million square feet of warehousing facilities in various locations at Leicester, Sheffield, Keighley and Leeds. It is engaged in the provision of supply chain management, storage and transportation, and pre-retailing (such as garment preparation, quality inspection and gift packing) services. PB Logistics also has overseas offices in Hong Kong, China and India to provide international freight services.

The client portfolio of PB Logistics consists mainly of major UK retailers, including Marks & Spencer, and suppliers of garment and accessory items. PB Logistics also provides services to its parent company, Peter Black Group, which is engaged in the supply of footwear, accessories and beauty products for leading UK and European retailers.

In a separate negotiation, Li & Fung Limited, a sister company of IDS, has announced the acquisition of the footwear, accessories and beauty business of the Peter Black Group. As a result of this, it is expected that PB Logistics will enter into a logistics and warehousing agreement with Li & Fung for the continuing provision of existing services.

“We expect there will be good synergy with Li & Fung subsequent to the acquisition, as it opens an opportunity for IDS to provide global logistics solutions to other Li & Fung businesses in Europe,” said Mr. Chang. “Building upon our entry into the UK we will continue to identify suitable opportunities to extend our presence into continental Europe.”

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About Integrated Distribution Services Group Limited

Integrated Distribution Services Group Limited (“IDS Group”) is a leading integrated distribution and logistics services provider covering a full menu of services along the value-chain. The Group focuses primarily on serving brand owners of consumer and healthcare products who wish to penetrate the Asian market. IDS Manufacturing produces branded goods under licence, IDS Logistics provides in-country and international logistics services and IDS Marketing sells and distributes products on behalf of brand owners. Headquartered in Hong Kong, the IDS Group operates in Greater China, ASEAN countries and the US offering customized services to over 400 customers including an array of multinational brands. The IDS Group is a member of the Li & Fung Group.

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