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INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

ANNOUNCEMENT

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the IDS Board hereby announces that on 16 August 2010, Australia and New Zealand Banking Group Limited has been appointed (with the approval of the IDS IBC) as the independent financial adviser to advise the IDS IBC in connection with the Proposal.

Reference is made to the joint announcement dated 12 August 2010 issued by Li & Fung and IDS in relation to the proposed acquisition by Li & Fung of IDS by way of privatisation pursuant to a scheme of arrangement (under section 99 of the Companies Act) (the “**Joint Announcement**”). Save as otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Joint Announcement.

Pursuant to Rule 2.1 of the Takeovers Code, the IDS Board hereby announces that on 16 August 2010, Australia and New Zealand Banking Group Limited has been appointed (with the approval of the IDS IBC) as the independent financial adviser to advise the IDS IBC in connection with the Proposal.

By order of the board of
**INTEGRATED DISTRIBUTION
SERVICES GROUP LIMITED**
Benedict Chang Yew Teck
Executive Director

Hong Kong, 17 August 2010

As at the announcement date, the IDS Board comprises the following directors:

Non-executive directors:

Dr. Victor Fung Kwok King

Dr. William Fung Kwok Lun

Mr. Jeremy Paul Egerton Hobbins

Mr. Lau Butt Farn

Mr. John Estmond Strickland[#]

Dr. Fu Yu Ning[#]

Prof. Lee Hau Leung[#]

Mr. Andrew Tung Lieh Cheung[#]

[#] Independent non-executive directors

Executive directors:

Mr. Benedict Chang Yew Teck

Mr. Joseph Chua Phi

The directors of IDS jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in the announcement misleading.