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**LI & FUNG LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 494)**



**INTEGRATED DISTRIBUTION SERVICES  
GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2387)**

**JOINT ANNOUNCEMENT  
PROPOSED ACQUISITION BY  
LI & FUNG LIMITED  
OF  
INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED  
BY WAY OF PRIVATISATION  
PURSUANT TO A SCHEME OF ARRANGEMENT  
(UNDER SECTION 99 OF THE COMPANIES ACT)  
  
SANCTION OF THE SCHEME BY THE COURT  
AND  
EXPECTED EFFECTIVE DATE OF THE SCHEME  
AND  
EXPECTED DATE OF WITHDRAWAL OF LISTING OF IDS SHARES**

**Financial adviser to Li & Fung Limited**

**J.P.Morgan**

**SANCTION OF THE SCHEME BY THE COURT**

The Scheme was sanctioned by the Court on Friday, 15 October 2010 (Bermuda time).

## **CURRENT STATUS OF CONDITIONS**

As at the date of this announcement, other than Conditions (a), (b), (i) and (l) which have been satisfied, the Scheme remains conditional upon the satisfaction or valid waiver (as applicable), of the other Conditions as set out in the section headed “Explanatory Statement - Conditions of the Scheme” in the Scheme Document.

A copy of the order of the Court sanctioning the Scheme is expected to be delivered to the Registrar of Companies in Bermuda for registration on Friday, 29 October 2010 (Bermuda time) whereupon Condition (d) will be fulfilled.

## **EXPECTED EFFECTIVE DATE OF THE SCHEME**

Assuming that all the Conditions are satisfied or validly waived (as applicable), it is expected that the Scheme will become effective on Friday, 29 October 2010. The Scheme will lapse if it does not become effective on or before 31 December 2010 or such later date as may be proposed by Li & Fung and permitted by the Executive. The IDS Shareholders will be notified accordingly by announcement(s).

## **EXPECTED DATE OF WITHDRAWAL OF THE LISTING OF THE IDS SHARES**

An application for the withdrawal of the listing of the IDS Shares on the Stock Exchange has been made to the Stock Exchange and the Stock Exchange has approved the withdrawal of the listing of the IDS Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 1 November 2010, subject to the Scheme becoming effective.

**WARNING: Li & Fung Shareholders, IDS Shareholders, IDS Optionholders and/or potential investors should be aware that the Scheme will only become effective upon all the Conditions being satisfied or validly waived (as applicable). The Scheme may or may not become effective, and the Option Offer may or may not become unconditional. Li & Fung Shareholders, IDS Shareholders, IDS Optionholders and/or potential investors should therefore exercise caution when dealing in IDS Shares and/or Li & Fung Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.**

## **INTRODUCTION**

Reference is made to the Scheme Document dated 14 September 2010 and the joint announcements dated 12 August 2010, 14 September 2010, 28 September 2010 and 7 October 2010 respectively, made by Li & Fung and IDS. Terms defined in the Scheme Document shall have the same meanings when used herein unless the context requires otherwise.

## **SANCTION OF THE SCHEME BY THE COURT**

The IDS Board announces that the Scheme was sanctioned by the Court on Friday, 15 October 2010 (Bermuda time).

## **CURRENT STATUS OF CONDITIONS**

As at the date of this announcement, other than Conditions (a), (b), (i) and (l) which have been satisfied, the Scheme remains conditional upon the satisfaction or valid waiver (as applicable), of the other Conditions as set out in the section headed “Explanatory Statement - Conditions of the Scheme” in the Scheme Document.

A copy of the order of the Court sanctioning the Scheme is expected to be delivered to the Registrar of Companies in Bermuda for registration on Friday, 29 October 2010 (Bermuda time) whereupon Condition (d) will be fulfilled.

## **EXPECTED EFFECTIVE DATE OF THE SCHEME**

Assuming that all the Conditions are satisfied or validly waived (as applicable), it is expected that the Scheme will become effective on Friday, 29 October 2010. The Scheme will lapse if it does not become effective on or before 31 December 2010 or such later date as may be proposed by Li & Fung and permitted by the Executive. The IDS Shareholders will be notified accordingly by announcement(s).

## **EXPECTED DATE OF WITHDRAWAL OF THE LISTING OF THE IDS SHARES**

An application for the withdrawal of the listing of the IDS Shares on the Stock Exchange has been made to the Stock Exchange and the Stock Exchange has approved that the withdrawal of the listing of the IDS Shares on the Stock Exchange with effect from 9:30 a.m. on Monday, 1 November 2010, subject to the Scheme becoming effective.

## **EXPECTED TIMETABLE**

The expected timetable for completing the remaining steps of the Proposal, including the withdrawal of the listing of the IDS Shares on the Stock Exchange is as follows:

*Hong Kong time  
2010*

Latest time for lodging forms of transfer of IDS Shares to qualify for entitlements under the Scheme .....	4:30 p.m. on Monday, 25 October
Register of members of IDS closed ( <i>Note 2</i> ) .....	Tuesday, 26 October to Friday, 29 October (both days inclusive)
Latest time for lodging the Election Form ( <i>Note 3</i> ) .....	4:30 p.m. on Friday, 29 October
Latest time for lodging the form of acceptance in relation to the Option Offer ( <i>Note 4</i> ) .....	4:30 p.m. on Friday, 29 October
Registration of the order of the Court to sanction the Scheme at the Bermuda Registrar of Companies ( <i>Note 1 and Note 5</i> ) .....	Friday, 29 October ( <i>Bermuda time</i> )
Record Date .....	4:30 p.m. on Friday, 29 October

Effective Date ( <i>Note 5</i> ) .....	Friday, 29 October
Lapse of unexercised outstanding IDS Share Options.....	Friday, 29 October
Withdrawal of the listing of the IDS Shares on the Stock Exchange becomes effective .....	9:30 a.m. on Monday, 1 November
Announcement of the Effective Date and the withdrawal of the listing of the IDS Shares on the Stock Exchange .....	Monday, 1 November
Cheques for cash entitlements under the Scheme (if applicable) and the Option Offer to be despatched ( <i>Note 6</i> ) .....	on or before Monday, 8 November
Allotment and issue of Li & Fung Shares pursuant to the Share Alternative (if applicable) and despatch of share certificates of Li & Fung Shares to those Scheme Shareholders entitled thereto ( <i>Note 6</i> ) .....	on or before Monday, 8 November

*Notes:*

1. All references in this announcement to times and dates are references to Hong Kong times and dates, other than references to the expected dates of the Court Hearing and the registration of the order of the Court, which are the relevant times and dates in Bermuda. Bermuda time is 11 hours behind Hong Kong time.
2. The register of members of IDS will be closed during such period for the purposes of determining IDS Shareholders who are qualified for entitlements under the Scheme. Entitlements under the Scheme will be based on the actual number of IDS Shares held by the Scheme Shareholders as at the Record Date i.e. 4:30 p.m. on Friday, 29 October 2010.
3. Election Forms, correctly completed in accordance with the instructions thereon, must be lodged with the IDS Registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than the time and date stated above (or such later time and/or date as may be notified through announcement(s)), failing which an Election Form shall not be treated as valid and the IDS Shareholders (other than the Committed Shareholders) purporting to make the election shall not, for any purpose, be entitled to receive the Share Alternative but shall instead receive the Cash Alternative. As per the joint announcement of Li & Fung and IDS dated 28 September 2010, an alternative method for CCASS Shareholders to elect the Share Alternative has now been implemented to the effect that notwithstanding anything provided to the contrary in the Scheme Document and the joint announcement of Li & Fung and IDS dated 14 September 2010, other than withdrawing their IDS Shares from CCASS, CCASS Shareholders may also elect the Share Alternative by way of submitting election instructions to HKSCC Nominees through their brokers or custodians which are CCASS participants; or directly to HKSCC Nominees if they are CCASS investor participants. Details of procedures and timing are contained in the circular issued by Hong Kong Securities Clearing Company Limited to CCASS participants on 30 September 2010. Please note that this arrangement applies to CCASS Shareholders only.
4. The form of acceptance in relation to the Option Offer, which is appended to the Option Offer Letter to the IDS Optionholders, duly completed in accordance with the instructions thereon must be returned to Li & Fung c/o IDS, at 1st Floor, LiFung Tower, 888 Cheung Sha Wan Road, Kowloon, Hong Kong, for the attention of the Li & Fung Board and marked "IDS-Option Offer", so as to reach Li & Fung not later than 4:30 p.m. on Friday, 29 October 2010 (or such later time and/or date as may be notified through announcement(s)), failing which the IDS Share Options granted under the IDS Option Scheme that are not exercised or cancelled pursuant to the acceptance of the Option Offer will automatically lapse upon the Scheme becoming effective. Copies of the Option Offer Letter and the form of acceptance in relation to the Option Offer to the IDS Optionholders can also be obtained from the company secretary of IDS, at 1st Floor, LiFung Tower, 888 Cheung Sha Wan Road, Kowloon, Hong Kong subsequent to the despatch of the same and at any time before 4:30 p.m. on Friday, 29 October 2010.

5. The Scheme shall become effective upon all the conditions set out in the section headed “Explanatory Statement - Conditions of the Scheme” on page 72 to 76 of the Scheme Document having been fulfilled or validly waived (as applicable).
6. Cheques for cash entitlements in respect of the Cash Alternative or share certificates of Li & Fung in respect of the Share Alternative under the Scheme and payment pursuant to the Option Offer to the IDS Optionholders will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of IDS and to the last known addresses of the IDS Optionholders as notified by the IDS Optionholders to IDS on or before Monday, 8 November 2010.

**WARNING: Li & Fung Shareholders, IDS Shareholders, IDS Optionholders and/or potential investors should be aware that the Scheme will only become effective upon all the Conditions being satisfied or validly waived (as applicable). The Scheme may or may not become effective, and the Option Offer may or may not become unconditional. Li & Fung Shareholders, IDS Shareholders, IDS Optionholders and/or potential investors should therefore exercise caution when dealing in IDS Shares and/or Li & Fung Shares. Persons who are in doubt as to the action they should take should consult their licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional adviser.**

By order of the board of directors of

**LI & FUNG LIMITED**

Bruce Philip Rockowitz  
*Executive Director*

By order of the board of directors of

**INTEGRATED DISTRIBUTION  
SERVICES GROUP LIMITED**

Benedict Chang Yew Teck  
*Executive Director*

Hong Kong, 18 October 2010

*As at the date of this announcement, the Li & Fung Board comprises the following directors:*

*Non-executive Li & Fung Directors:*

*Dr. Victor Fung Kwok King (Chairman)*

*Mr. Paul Edward Selway-Swift\**

*Mr. Allan Wong Chi Yun\**

*Mr. Franklin Warren McFarlan\**

*Mr. Makoto Yasuda\**

*Mr. Martin Tang Yue Nien\**

*\* Independent non-executive Li & Fung Directors*

*Executive Li & Fung Directors:*

*Dr. William Fung Kwok Lun (Managing Director)*

*Mr. Bruce Philip Rockowitz*

*Mr. Spencer Theodore Fung*

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

*Non-executive IDS Directors:*

*Dr. Victor Fung Kwok King*

*Dr. William Fung Kwok Lun*

*Mr. Jeremy Paul Egerton Hobbins*

*Mr. Lau Butt Farn*

*Mr. John Estmond Strickland<sup>#</sup>*

*Dr. Fu Yu Ning<sup>#</sup>*

*Prof. Lee Hau Leung<sup>#</sup>*

*Mr. Andrew Tung Lieh Cheung<sup>#</sup>*

*<sup>#</sup> Independent non-executive IDS Directors*

*Executive IDS Directors:*

*Mr. Benedict Chang Yew Teck*

*Mr. Joseph Chua Phi*

*The Li & Fung Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the IDS Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the IDS Group) 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 this announcement (other than that relating to the IDS Group) misleading.*

*The IDS Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement relating to the IDS Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by the IDS Group 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 relating to the IDS Group misleading.*