

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Li & Fung Limited or Integrated Distribution Services Group Limited.



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)**

**EFFECTIVE DATE OF THE SCHEME
AND
LEVEL OF ACCEPTANCE IN RELATION TO THE OPTION OFFER
AND
WITHDRAWAL OF LISTING OF IDS SHARES**

Financial adviser to Li & Fung Limited

J.P.Morgan

THE SCHEME BECOMES EFFECTIVE

The Scheme was sanctioned by the Court on Friday, 15 October 2010 (Bermuda time). A copy of the order of the Court sanctioning the Scheme was delivered to the Registrar of Companies in Bermuda for registration on Friday, 29 October 2010 (Bermuda time). All the Conditions of the Scheme have been satisfied. Accordingly, the Scheme became effective on Friday, 29 October 2010.

LEVEL OF ACCEPTANCE IN RELATION TO THE OPTION OFFER

The Option Offer became unconditional upon the Scheme becoming effective on Friday, 29 October 2010. As at 4:30 p.m. on Friday, 29 October 2010, being the latest time and date to accept the Option Offer, valid acceptances of the Option Offer were received in respect of 1,289,400 outstanding IDS Share Options. The Option Offer has therefore closed.

WITHDRAWAL OF THE LISTING OF THE IDS SHARES

The listing of the IDS Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Monday, 1 November 2010.

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, 7 October 2010 and 18 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.

THE SCHEME BECOMES EFFECTIVE

The Scheme was sanctioned by the Court on Friday, 15 October 2010 (Bermuda time). A copy of the order of the Court sanctioning the Scheme was delivered to the Registrar of Companies in Bermuda for registration on Friday, 29 October 2010 (Bermuda time). All the Conditions of the Scheme have been satisfied. Accordingly, the Scheme became effective on Friday, 29 October 2010.

LEVEL OF ACCEPTANCE IN RELATION TO THE OPTION OFFER

The Option Offer became unconditional upon the Scheme becoming effective on Friday, 29 October 2010. As at 4:30 p.m. on Friday, 29 October 2010, being the latest time and date to accept the Option Offer, valid acceptances of the Option Offer were received in respect of 1,289,400 outstanding IDS Share Options. The Option Offer has therefore closed. 6,102,000 outstanding IDS Share Options that have not been exercised or cancelled pursuant to the acceptance of the Option Offer have automatically lapsed upon the Scheme becoming effective on Friday, 29 October 2010. The total amount of cash consideration to be paid by Li & Fung to the IDS Optionholders under the Option Offer is approximately HK\$4,982,000.

WITHDRAWAL OF THE LISTING OF THE IDS SHARES

The listing of the IDS Shares on the Stock Exchange will be withdrawn with effect from 9:30 a.m. on Monday, 1 November 2010.

FURTHER ANNOUNCEMENT OF RESULTS OF ELECTION OF THE CANCELLATION CONSIDERATION AND DESPATCH OF SHARE CERTIFICATES OF LI & FUNG SHARES AND CHEQUES FOR CASH PAYMENTS

Li & Fung will make a further announcement regarding the results of election of the Cancellation Consideration as soon as practicable after such results are available.

Share certificates of Li & Fung Shares for those Scheme Shareholders who have elected the Share Alternative and cheques for cash entitlements of the other Scheme Shareholders in respect of the Cash Alternative will be despatched by ordinary post at the risk of the recipients to their registered addresses shown in the register of members of IDS on the Record Date, 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 last known addresses as notified by the IDS Optionholders to IDS, on or before Monday, 8 November 2010.

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, 31 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[#]

Dr. Fu Yu Ning[#]

Prof. Lee Hau Leung[#]

Mr. Andrew Tung Lieh Cheung[#]

[#] 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.