

**For immediate release**

### **IDS (Hong Kong) Limited secures CEPA approval for Wholesaling and Distribution in China**

Hong Kong, Tuesday, 27 April 2004 – IDS (Hong Kong) Limited announced today that approval has been granted by the State Ministry of Commerce of the PRC for the Company to establish a wholly-owned enterprise in the Mainland of China under the Closer Economic Partnership Arrangement (CEPA). IDS is believed to be one of the first Hong Kong companies in the wholesaling and distribution industry to have secured approval since CEPA came into effect in January 2004.

A wholly-owned subsidiary of Hong Kong-headquartered IDS Group, IDS (Hong Kong) Limited currently operates a joint venture enterprise, Nanjing Li & Fung JDH Trading Company Limited, in Nanjing. This company is engaged in the wholesaling and distribution of consumer products in China. Based upon the approval received from the State Ministry of Commerce, IDS (Hong Kong) Limited will now convert its Nanjing-based joint venture into a wholly owned subsidiary. This CEPA approved entity will be able to provide its many multinational and local customers wholesaling and distribution, import and export and other related services on a nation-wide basis.

The IDS Group is a wholly-owned subsidiary and integrated-distribution arm of the privately-held Li & Fung Distribution Group (unrelated to Hong Kong-listed Li & Fung Limited). The IDS Group's concept of integrated-distribution involves three core businesses of Manufacturing, Logistics and Marketing. With an emphasis on a strong logistics platform supported by an extensive Asia-wide logistics infrastructure and distribution network across Greater China and ASEAN, the IDS Group provides a menu of integrated services bringing products from factory floor all the way into the hands of the Asian consumer.

Mr. Ben Chang, Group Managing Director of the IDS Group, said, "We are delighted to receive this approval under CEPA. It is an important milestone for the IDS Group and in particular has very positive impact on the Group's overall distribution and business growth strategy in China. I believe with the advent of CEPA, Hong Kong companies in the service sector like the IDS Group will see rapid expansion in China. At the same time we should also see an influx of professional expertise into the

Mainland of China from Hong Kong's service infrastructure, which in turn would contribute to the further development of China's economy."

Soon after the announcement of CEPA last year, the IDS Group proactively took steps to apply for CEPA approval with the Trade and Industry Department of the Hong Kong SAR, the State Ministry of Commerce of the PRC and the Nanjing Government.

"The Hong Kong SAR Government, the State Ministry of Commerce and the Nanjing Government have given us invaluable support during the CEPA application process," said Mr. Sunny Wong, Director of IDS (Hong Kong) Limited.

The IDS Group has been involved in distribution and logistics in the Mainland of China for more than two decades. IDS Marketing distributes consumer products to supermarkets, hypermarkets and other retail outlets in more than 100 cities. IDS Logistics provides warehousing, transportation, cross docking and other logistics services, operating strategically from key hubs in Guangzhou and Shanghai into depots across China.

"China is a huge market with enormous potential. It is the strategic focus of the IDS Group. Operating on a wholly-owned basis allows us more flexibility in managing our operations. We now also enjoy the same status as local companies and are able to provide end-to-end distribution services to multinational as well as local brands in the Mainland of China," said Mr. Joseph Phi, Regional Director of the IDS Group.

With this CEPA approved entity, the IDS Group is well positioned to scale new heights in wholesaling and distribution in China.

**Note: The IDS Group is unrelated to Hong Kong-listed Li & Fung Limited (stock code: 494), which is not involved in this event.**

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#### **About the IDS Group**

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