



For immediate release

IDS Group public offer received enthusiastic response Priced at HK\$3.50 per share

Hong Kong, 2 December 2004 – **Integrated Distribution Services Group Limited** ('IDS Group' or 'the Group'; HKSE code: 2387), a subsidiary of privately held Li & Fung (Distribution) Limited and an integrated-distribution services provider in Asia, announced pricing of its global offering and allotment results. Enthusiastic response was received with public offer shares recorded over 150 times subscription.

The price of the IDS Group's offering of 120 million shares has been fixed at HK\$3.50 per share against the offer price range of HK\$3.00 to HK\$3.75 per share. Based on the price of HK\$3.50 per share, and if the over-allotment option is not exercised, the IPO will raise approximately HK\$420 million.

The Group received valid applications for approximately 1,832.8 million public offer shares, representing approximately 152.7 times of the 12 million shares originally available. The international placing shares to professional and institutional investors were substantially over-subscribed. As a result of the strong interest for public offer shares, the claw-back mechanism has been triggered. The final number of public offer shares was increased to 60 million shares whilst the final number of international placing shares was lowered to 60 million shares.

Dr Victor K Fung, Chairman of the IDS Group, said, "We are very pleased with the encouraging response from both retail and institutional investors. It is not only testimony to the solid fundamentals and the strong growth potential the IDS Group possesses, but is also a testament of investors' confidence in the Li & Fung group of companies."

IDS Group public offer received enthusiastic response
Priced at HK\$3.50 per share

Mr Ben Chang, Group Managing Director of the IDS Group, said, “This is a resounding vote of confidence in our core integrated-distribution services of marketing, logistics and manufacturing. We are extremely excited to ride the wave of Asia’s outsourcing trend and the rise in Asian consumerism. With the proceeds from the IPO, we can further our aggressive growth in China as well as strengthen our business position across Asia.”

Net proceeds from the global offering will be used to accelerate the IDS Group’s expansion into China, further build its businesses in Asia and pursue selective acquisitions in the region.

Dealings in shares of the IDS Group on the Main Board of the Hong Kong Stock Exchange are expected to commence on Tuesday, 7 December. HSBC is the Global Co-ordinator, Bookrunner, Lead Manager and Sponsor of the global offering.

- ENDS -

About Integrated Distribution Services Group Limited

Integrated Distribution Services Group Limited (‘IDS Group’), a subsidiary of privately held Li & Fung (Distribution) Limited, is a leading integrated-distribution services provider in Asia comprising IDS Marketing, IDS Logistics and IDS Manufacturing. The Group focuses primarily on serving brand owners of consumer and healthcare products that wish to penetrate the Asian market, helping them produce goods, then moving the products efficiently and responsively from the factory floor to the hands of the consumer. Headquartered in Hong Kong, the IDS Group operates in nine economies in Asia offering a full menu of integrated-distribution services to over 340 customers with many of them being world renowned multi-national brands. The Group currently employs over 4,200 staff across Asia.

IDS Group public offer received enthusiastic response
Priced at HK\$3.50 per share

About Li & Fung and Li & Fung (Distribution) Limited

Li & Fung was founded in Guangzhou in 1906 as a traditional Chinese family company engaged in trading. In 1937, it was established in Hong Kong as Li & Fung (1937) Limited, the holding company for Li & Fung (Distribution) Limited ('LFD').

In the 1970s, the management of Li & Fung was transferred to the third generation of the Fung family – Dr Victor K Fung and Dr William K Fung – who remain at its helm today. Privately held Li & Fung is now a multi-national group of companies comprising three distinct core businesses, namely export trading (under Main Board-listed Li & Fung Limited; code: 494), retailing (including GEM Board-listed Convenience Retail Asia; code: 8052) and distribution.

LFD was formed in 1998 to acquire the marketing services and related businesses of Inchcape plc in Asia. The IDS Group is a subsidiary and the integrated-distribution arm of privately held LFD.