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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should obtain independent professional advice or consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Integrated Distribution Services Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

**ACQUISITION OF SITT TATT LOGISTICS SDN. BHD.
AND RELATED PROPERTIES
DISCLOSEABLE TRANSACTION**

23 August 2006

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisitions contemplated under the Share Purchase Agreement, Seberang Perai Sale and Purchase Agreement and Selangor Sale and Purchase Agreement respectively
“associates”, “connected person(s)”	has the meaning ascribed to them under the Listing Rules
“Business Day”	a day other than a Saturday or Sunday, on which banks are open in Malaysia to the general public for business
“Company”	Integrated Distribution Services Group Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Completion Accounts”	the unaudited accounts of STLog for the period from 1 January 2006 to 30 June 2006 and for the period from 1 July 2006 to the latest calendar month end immediately preceding the completion date and date of such month end shall be referred to as the “Completion Accounts Date”
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	17 August 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Minority Shareholder”	Dato’ Syed Mohamad bin Syed Murtaza, who holds 0.4% of the issued share capital of STLog
“Purchaser”	IDS Logistics Services (M) Sdn. Bhd., an indirect wholly-owned subsidiary of the Company
“RM”	Malaysian Ringgit, the lawful currency of Malaysia

DEFINITIONS

“Seberang Perai Land”	all those pieces of leasehold industrial land held under title number H.S.(D) 591 (Plot 24), No. P.T. 486, in Mukim 06, District of Seberang Perai Tengah, Negeri Pulau Pinang and H.S.(D) 592 (Plot 23), No. P.T. 485, in Mukim 06, District of Seberang Perai Tengah, Negeri Pulau Pinang, including the buildings thereon
“Seberang Perai Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Seller and the Purchaser in respect of Seberang Perai Land, the principal terms of which are set out in this circular
“Selangor Land”	all those pieces of freehold land held under title number H.S.(D) 99548, No. P.T 48025, in the Mukim of Kapar, District of Klang, State of Selangor and GRN 59001, Lot No. 26028, in the Mukim of Kapar, District of Klang, State of Selangor, including the buildings thereon
“Selangor Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Seller and the Purchaser in respect of Selangor Land, the principal terms of which are set out in this circular
“Seller”	Sitt Tatt Company Sdn. Bhd., a company incorporated under the laws of Malaysia, which holds interests in 99.6% of the issued share capital of STLog and is the registered proprietor of the Selangor Land and the Seberang Perai Land. It is principally engaged in the business of provision of total logistics services covering ambient warehousing, cold storage, freight forwarding and custom brokering
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of US\$0.10 each of the Company
“Shareholder(s)”	holders of Share(s) of the Company in issue
“Share Purchase Agreement”	the share purchase agreement entered into between the Seller and the Purchaser, pursuant to which the Seller shall sell, and shall procure the Minority Shareholder to sell, the STLog Shares, the principal terms of which are set out in this circular

DEFINITIONS

“STLog”	Sitt Tatt Logistics Sdn. Bhd., a company incorporated under the laws of Malaysia
“STLog Shares”	The entire issued share capital of STLog
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Unless otherwise stated, all references in this circular to HK\$ are for information only and are referenced to Hong Kong Dollars based on an approximate exchange rate of RM1 = HK\$2.1188.

LETTER FROM THE CHAIRMAN

INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

Non-executive Directors:

Dr. Victor FUNG Kwok King (*Chairman*)

William Winship FLANZ*

John Estmond STRICKLAND*

Dr. FU Yu Ning*

Professor LEE Hau Leung*

Dr. William FUNG Kwok Lun

Jeremy Paul Egerton HOBBS

LAU Butt Farn

Executive Directors:

Benedict CHANG Yew Teck

(Group Managing Director)

Joseph Chua PHI

Rajesh Vardichand RANAVAT

* *Independent Non-executive Director*

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business:

15th Floor, LiFung Centre

2 On Ping Street

Siu Lek Yuen

Shatin, N.T.

Hong Kong

23 August 2006

To Shareholders

Dear Sirs or Madam,

ACQUISITION OF SITT TATT LOGISTICS SDN. BHD. AND RELATED PROPERTIES DISCLOSEABLE TRANSACTION

INTRODUCTION

On 3 August 2006, the Purchaser entered into three sale and purchase agreements to acquire (a) the entire issued share capital of STLog, (b) Seberang Perai Land and (c) Selangor Land, for an aggregate cash consideration of RM94.5 million (approximately HK\$200.23 million), subject to adjustment as set out in this circular.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. This circular contains details of the Acquisition required to be disclosed under the Listing Rules.

LETTER FROM THE CHAIRMAN

SALE AND PURCHASE AGREEMENTS

On 3 August 2006, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the following sale and purchase agreements to acquire:

- a. the entire issued share capital of STLog from the Seller and the Minority Shareholder, for a cash consideration of RM16.6 million (approximately HK\$35.17 million) (subject to the adjustment as described below) pursuant to the Share Purchase Agreement;
- b. the Seberang Perai Land from the Seller, for a cash consideration of RM16.65 million (approximately HK\$35.28 million) pursuant to the Seberang Perai Sale and Purchase Agreement; and
- c. the Selangor Land from the Seller, for a cash consideration of RM61.25 million (approximately HK\$129.78 million) pursuant to the Selangor Sale and Purchase Agreement.

Consideration

The aggregate cash consideration of RM94.5 million (approximately HK\$200.23 million) for the Acquisition will be financed from the Company's internal cash reserves and bank borrowings. The aggregate cash consideration was determined based on arm's length negotiation between the Seller and the Purchaser and represents the aggregate of (i) STLog's unaudited net asset value of RM11.6 million (approximately HK\$24.58 million) as at 30 June 2006, (ii) goodwill of RM5 million (approximately HK\$10.59 million) for STLog and (iii) the valuation of the Seberang Perai Land and the Selangor Land of RM16.65 million (approximately HK\$35.28 million) and RM61.25 million (approximately HK\$129.78 million) as at 10 January 2005 and 8 March 2006 respectively. The consideration for both lands has been determined based on the Purchaser's recent assessment of value of land in the neighbourhood.

Deposits equal to 10% of the consideration for the Share Purchase Agreement, the Seberang Perai Sale and Purchase Agreement and Selangor Sale and Purchase Agreement were paid to the Seller's solicitors as escrow agent upon signing of the said agreements.

Upon completion of the Share Purchase Agreement, the balance of the consideration for the Share Purchase Agreement (after the price adjustment, if any, as described below) will be paid in cash to the Seller and the Minority Shareholder, and the deposit for the Share Purchase Agreement together with all the interests accrued thereon will be released to the Seller.

LETTER FROM THE CHAIRMAN

Once the Share Purchase Agreement is completed, the deposits paid under the Seberang Perai Sale and Purchase Agreement and Selangor Sale and Purchase Agreement together with all the interests accrued thereon will be released to the Seller, and the balance of the considerations under the two agreements will be paid to the Seller's solicitors as escrow agent, which will, together with the interests accrued thereon, be released to the Seller not later than 21 days from the later of the completion of the transactions contemplated under the Share Purchase Agreement or the date when all the condition precedents in the two agreements have been satisfied.

Price adjustments, if any, for the Share Purchase Agreement

Under the Share Purchase Agreement, the consideration of RM16.6 million (approximately HK\$35.17 million) for acquisition of the STLog Shares is subject to downward adjustment in the event that prior to the completion of the said agreement, the Purchaser establishes that:

- (i) the audited net profit after tax of STLog for the year ended 31 December 2005 is less than RM2,066,027 (approximately HK\$4,377,498), the said consideration shall be reduced by the amount of such shortfall; and
- (ii) the audited net asset value of STLog for the year ended 31 December 2005 is less than RM9,597,042 (approximately HK\$20,334,212), the said consideration shall be reduced by the amount of such shortfall.

Following agreement by the Seller and the Purchaser of the Completion Accounts of STLog, if the unaudited net profit after tax of STLog for the six months ended 30 June 2006 is less than RM2 million (approximately HK\$4.24 million), the Seller shall pay to the Purchaser an amount equivalent to the shortfall. If the completion occurs beyond 30 September 2006, the unaudited net profit after tax for any period beyond 30 June 2006 up to the Completion Accounts Date shall be an amount due to the Seller.

Conditions Precedent

The Share Purchase Agreement is conditional upon the obtaining of the relevant approval from the Malaysian Foreign Investment Committee and completion of satisfactory due diligence. If any of these conditions have not been satisfied within 60 days from the date of the Share Purchase Agreement, the Purchaser may waive such conditions or terminate the Share Purchase Agreement. If the Share Purchase Agreement is so terminated, the deposit held by the Seller's solicitors as escrow agent shall be returned to the Purchaser together with all the interests accrued thereon. The parties to the Share Purchase Agreement may agree to postpone the latest date to satisfy the conditions for up to 30 Business Days after the date stipulated in the Share Purchase Agreement.

LETTER FROM THE CHAIRMAN

The Seberang Perai Sale and Purchase Agreement is conditional on the obtaining of the relevant approvals from the Malaysian Foreign Investment Committee and State Authority on or before 31 December 2006, whereas the Selangor Sale and Purchase Agreement is conditional on the obtaining of the relevant approvals from the Malaysian Foreign Investment Committee on or before 31 December 2006. If any of these conditions have not been satisfied, the two agreements shall not be terminated so long as the Share Purchase Agreement remains in effect and is not terminated, and the parties thereto shall negotiate mutually acceptable terms and conditions for completing the transactions contemplated under the two agreements. If the Share Purchase Agreement is not completed, the Seller and the Purchaser shall not be bound to complete the transactions contemplated under the two agreements, and thereupon (except where the Purchaser is in default) the deposits for the two agreements held by the Seller's solicitors as escrow agent shall be returned to the Purchaser together with all the interests accrued thereon.

Under the local Malaysian regulations, the Malaysian Foreign Investment Committee may give conditional approval to the Purchaser for the acquisition of STLog and the Seberang Perai Land and Selangor Land. Such conditional approval relates to the Purchaser agreeing to have a local shareholder ("Bumiputera") equity interest of 30% in STLog and the abovementioned lands within a specified period of time, where such specified period is normally three years. The Purchaser has agreed to comply with such condition, if imposed by the Malaysian Foreign Investment Committee.

Under the Seberang Perai Sale and Purchase Agreement and Selangor Sale and Purchase Agreement, the Purchaser has the right, subject to completion of the transactions contemplated under the Share Purchase Agreement, to designate any person to take up the transfer of the Seberang Perai Land and the Selangor Land.

The Purchaser has satisfactorily conducted a legal due diligence on the title of the abovementioned lands.

Completion

Completion of the transaction contemplated under the Share Purchase Agreement will take place on the fifth Business Day following the satisfaction or waiver of the conditions of the Share Purchase Agreement.

Under the Seberang Perai Sale and Purchase Agreement and Selangor Sale and Purchase Agreement, the original issue documents of title to the Seberang Perai Land and the Selangor Land will be released to the Purchaser's solicitors upon the later of the completion of the transactions contemplated under the Share Purchase Agreement or the date when the conditions under the relevant agreement are satisfied, subject to the payment of the balance considerations by the Purchaser pursuant to the two agreements as set out above.

LETTER FROM THE CHAIRMAN

INFORMATION OF STLOG, SEBERANG PERAI LAND AND SELANGOR LAND

STLog, a company incorporated in Malaysia, is owned as to 99.6% by the Seller and as to 0.4% by the Minority Shareholder. Seberang Perai Land and Selangor Land are owned 100% by the Seller. STLog is a third party logistics provider with operating warehouse space covering more than 550,000 square feet over two distribution centres at Seberang Perai Land and Selangor Land in Malaysia and offering a range of logistics services covering storage, transportation and value-added services.

STLog's net profits before and after tax based on audited accounts prepared under Malaysian accounting standards for the year ended 31 December 2005 were RM2.87 million (approximately HK\$6.08 million) and RM2.07 million (approximately HK\$4.39 million) respectively. The corresponding figures for the year ended 31 December 2004 based on audited accounts prepared under Malaysian accounting standards were RM2.0 million (approximately HK\$4.24 million) and RM1.43 million (approximately HK\$3.03 million) respectively. As at 31 December 2005, the net asset value of STLog prepared under Malaysian accounting standards is approximately RM9.60 million (approximately HK\$20.34 million). The valuation of the Seberang Perai Land and the Selangor Land as at 10 January 2005 and 8 March 2006 respectively are RM16.65 million (approximately HK\$35.28 million) and RM61.25 million (approximately HK\$129.78 million).

To the best of knowledge, information and belief of the Directors having made all reasonable enquiry, the Seller and the Minority Shareholder are third parties independent of the Company and the connected persons of the Company.

REASONS FOR AND EFFECTS OF THE ACQUISITION

The Group is a leading integrated-distribution services provider in Asia covering the three core businesses of Marketing, Logistics and Manufacturing. The Directors anticipate that the Acquisition supports the strategic direction of the Purchaser by significantly scaling up and consolidating the logistics business in Malaysia and will allow the Group to enter the electronics logistics business with a good customer base in Penang. The Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Following completion of the Acquisition, STLog will become an indirect wholly-owned subsidiary of the Company. The results, assets and liabilities will be consolidated into the financial statements of the Group. In addition, with the acquisition of the Seberang Perai Land and the Selangor Land as the Group's logistics distribution centers, the Group anticipates that there would be savings on the rental expenses of the Group, which would be partly offset against the depreciation of the buildings relating to such land, and that the earnings of the Group will be enhanced. The Acquisition will be financed from the Group's internal cash reserves and bank borrowings, and will accordingly increase the Group's fixed assets and liabilities. Save as aforesaid, the Group does not expect that there will be any material impact on its earnings, assets and liabilities.

LETTER FROM THE CHAIRMAN

GENERAL

Applying the relevant percentage ratios resulting from the calculations set out in Listing Rule 14.07, the acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

Your attention is drawn to the additional information regarding the Group which is required to be included in this circular under the Listing Rules as set out in the Appendix of this circular.

Yours faithfully,
Victor FUNG Kwok King
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained in this circular misleading.

2. DISCLOSURE OF INTERESTS

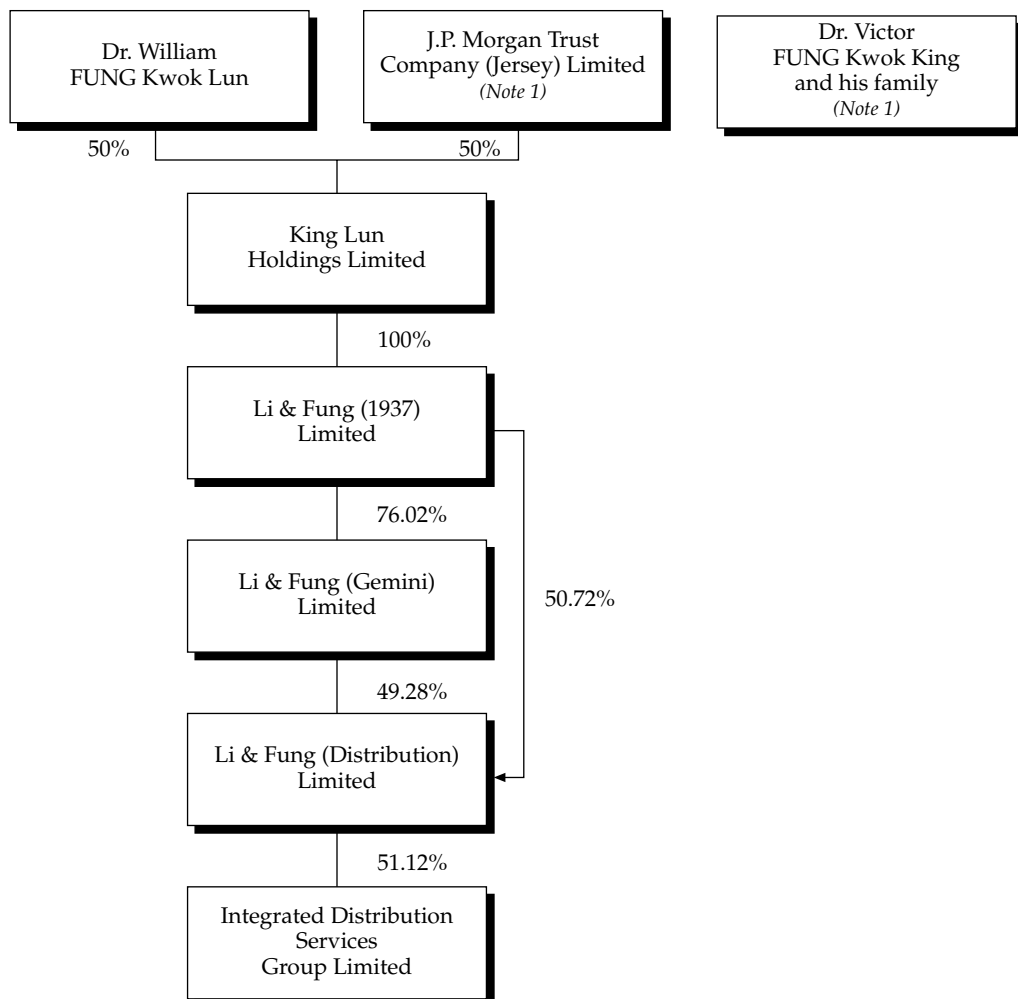
(I) Interests of Directors and the Chief Executives

As at the Latest Practicable Date, the directors and chief executives of the Company had the following interests in the Shares and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which are required to be entered in the register under section 352 of the SFO:

(A) Long position in Shares and underlying shares of the Company

Name of Director	Number of Shares				Number of underlying shares under equity derivatives (Share Options)	Total interest	Approximate percentage of issued share capital (%)
	Personal interest	Family interest	Corporate/trust interest	Other interest			
Dr. Victor FUNG Kwok King	2,405,509	-	157,960,917 (Note 1)	-	-	160,366,426	51.90
Dr. William FUNG Kwok Lun	-	-	157,960,917 (Note 1)	-	-	157,960,917	51.12
Benedict CHANG Yew Teck	1,412,573	-	-	-	3,390,000	4,802,573	1.55
Joseph Chua PHI	1,047,632	-	-	-	1,755,000	2,802,632	0.91
Rajesh Vardichand RANAVAT	305,375	-	-	-	1,440,000	1,745,375	0.56
Jeremy Paul Egerton HOBBS	1,202,754	-	-	-	-	1,202,754	0.39
LAU Butt Farn	610,549	-	-	-	-	610,549	0.20
John Estmond STRICKLAND	-	-	-	22,000 (Note 2)	-	22,000	0.00

The interests of Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun in Shares of the Company are summarized in the following chart:



Notes:

- As at the Latest Practicable Date, King Lun Holdings Limited ("King Lun") through its indirect non-wholly owned subsidiary, Li & Fung (Gemini) Limited ("LFG"), held a 49.28% interest in Li & Fung (Distribution) Limited ("LFD"). In addition, King Lun also through its wholly owned subsidiary, Li & Fung (1937) Limited, held 50.72% interest in LFD. LFD held 157,960,917 shares, representing 51.12% of the issued share capital of the Company. King Lun are owned (a) as to 50% by J.P. Morgan Trust Company (Jersey) Limited (which also indirectly held 8.77% of the issued share capital of LFG), the trustee of a trust established for the benefit of the family members of Dr. Victor FUNG Kwok King and (b) as to 50% by Dr. William FUNG Kwok Lun. Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun are deemed to have interests in these shares through their respective interests in King Lun and indirect interests in LFD as set out above.
- Mr. John Estmond STRICKLAND and his wife, Mrs. Anthea Evadne STRICKLAND are joint beneficial owners of these shares.

(B) Long position in shares and underlying shares of associated corporations

Name of Director	Name of associated corporation	Class of shares	Number of shares	Nature of interest	Approximate percentage of interests (%)
* Dr. Victor FUNG Kwok King	King Lun Holdings Limited	Ordinary	1,332,840	beneficiary of a trust	50.00
	Li & Fung (Gemini) Limited	Ordinary	5,825,438	as above	84.80
* Dr. William FUNG Kwok Lun	King Lun Holdings Limited	Ordinary	1,332,840	controlled corporation	50.00
	Li & Fung (Gemini) Limited	Ordinary	5,222,807	as above	76.02
Benedict CHANG Yew Teck	Li & Fung (Gemini) Limited	Ordinary	462,018	controlled corporation (Note 1)	6.73
Rajesh Vardichand RANAVAT	Convenience Retail Asia Limited	Ordinary	26,000	beneficial owner	0.004
Jeremy Paul Egerton HOBBS	Convenience Retail Asia Limited	Ordinary	180,000	beneficial owner	0.03
	Li & Fung (Gemini) Limited	Ordinary	462,018	controlled corporation (Note 2)	6.73
LAU Butt Farn	Convenience Retail Asia Limited	Ordinary	2,390,000	beneficial owner	0.35

* *Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun, by virtue of their interests in King Lun Holdings Limited ("King Lun") and the Company, are deemed to be interested in the shares and underlying shares of certain associated corporations of the Company under the SFO. A waiver application was submitted to the Stock Exchange for exemption from disclosure of their interests and short positions in the shares and underlying shares of the associated corporations (save for King Lun and Li & Fung (Gemini) Limited) of the Company, and a waiver was granted by the Stock Exchange on 21 August 2006.*

Notes:

- 462,018 shares in Li & Fung (Gemini) Limited, representing 6.73% of its issued share capital, are held by Mikenwill Investments Limited which is owned by Mr. Benedict CHANG Yew Teck.
- 462,018 shares in Li & Fung (Gemini) Limited, representing 6.73% of its issued share capital, are held by Martinville Holdings Limited which is owned by Mr. Jeremy Paul Egerton HOBBS.

(C) *Short position in shares and underlying shares of the Company and associated corporations*

As at the Latest Practicable Date, none of the directors and chief executive of the Company or their associates had any short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(D) *Interest in share options*

Share options granted under the share option scheme adopted by the written resolutions of the then sole shareholder of the Company dated 4 November 2004 and amended by a committee of the Board on 22 November 2004 and remain outstanding:

Name of Director	Number of Share Options outstanding	Exercise Price	Grant date	Exercise period
		<i>HK\$</i>		
Benedict CHANG	750,000	4.825	14/12/04	01/01/07 – 31/12/08
Yew Teck	750,000	4.825	14/12/04	01/01/08 – 31/12/09
	750,000	4.825	14/12/04	01/01/09 – 31/12/10
	380,000	8.600	16/12/05	01/01/08 – 31/12/09
	380,000	8.600	16/12/05	01/01/09 – 31/12/10
	380,000	8.600	16/12/05	01/01/10 – 31/12/11
Joseph Chua PHI	375,000	4.825	14/12/04	01/01/07 – 31/12/08
	375,000	4.825	14/12/04	01/01/08 – 31/12/09
	375,000	4.825	14/12/04	01/01/09 – 31/12/10
	210,000	8.600	16/12/05	01/01/08 – 31/12/09
	210,000	8.600	16/12/05	01/01/09 – 31/12/10
	210,000	8.600	16/12/05	01/01/10 – 31/12/11
Rajesh Vardichand RANAVAT	345,000	4.825	14/12/04	01/01/07 – 31/12/08
	345,000	4.825	14/12/04	01/01/08 – 31/12/09
	345,000	4.825	14/12/04	01/01/09 – 31/12/10
	135,000	8.600	16/12/05	01/01/08 – 31/12/09
	135,000	8.600	16/12/05	01/01/09 – 31/12/10
	135,000	8.600	16/12/05	01/01/10 – 31/12/11

(II) Interests of Shareholders Discloseable Pursuant to the SFO

Save as disclosed below, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of issued share capital (%)
Li & Fung (Distribution) Limited	Beneficial owner	157,960,917	51.12
Li & Fung (Gemini) Limited	Interest of controlled corporation	157,960,917	51.12
Li & Fung (1937) Limited	Interest of controlled corporation	157,960,917	51.12
King Lun Holdings Limited	Interest of controlled corporation	157,960,917	51.12
J.P. Morgan Trust Company (Jersey) Limited	Interest of controlled corporation	157,960,917	51.12
Matthews International Capital Management, LLC	Investment Advisor	22,065,000	7.14
Brookside Capital Investors, L.P.	Investment Advisor	15,473,000	5.01

(III) Substantial Shareholders in Other Members of the Group

Save as disclosed below, the Directors are not aware of any other person (other than a Director or chief executive of the Company, or his/her respective associate(s)) who, as at the Latest Practicable Date, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Company	Name of Shareholder	(%)
上海英和申宏商業服務有限公司 [®]	上海申宏有限公司 [®]	20
Shanghai IDS Shen Hong Logistics Co., Ltd.	Shanghai Shen Hong Company	
上海利和物流有限公司 [®]	上海申宏有限公司 [®]	20
Shanghai IDS Logistics Co., Ltd.	Shanghai Shen Hong Company	
Slumberland Asia Pacific Limited	Bico AG	20
PT. Slumberland Indonesia	PT. Bumijaya Trilestari	49.9
IDS Borneo Sdn Bhd	Yang Amat Mulia Pengiran Indera Setia DiRaja Sahibul Karib Pengiran Anak Haji Idris bin Pengiran Maharaja Lela Pengiran Muda Abdul Kahar	10
IDS Borneo Sdn Bhd	Yang DiMuliakan lagi DiHormati Pehin Orang Kaya DiGadong Seri DiRaja Dato Laila Utama Awang Haji Abdul Rahman bin Pehin Orang Kaya Shahbandar Awang Haji Mohd Taha	20
PT. Singa Jaya Kapita	PT. Madari Eka Pratama	15

[®] The legal name of the relevant company is in Chinese

3. SERVICE CONTRACTS

There is no existing or proposed service contract between any of the Directors or proposed Directors and the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation other than by statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which compete or may compete with the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

6. GENERAL

- (a) The secretary of the Company is Ms. YUEN Ying Kwai, a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (b) The qualified accountant of the Company is Mr. Edward POON Che Man, a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (d) The head office and principal place of business of the Company is 15th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong.
- (e) The principal share registrar of the Company is Butterfield Fund Services (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke HM 08, Bermuda and its branch share registrar is Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text.