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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 BUSINESS OF IMPAC LOGISTIC SERVICES LLC  
AND ITS AFFILIATES  
DISCLOSEABLE TRANSACTION**

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Business pursuant to the Asset Purchase Agreement
“Additional Payment”	the maximum cash payment of US\$7.5 million (approximately HK\$58.38 million) as described in the paragraph headed “Consideration”
“Asset Purchase Agreement”	the asset purchase agreement dated 1 December 2006 (New York time) entered into between IDS, the Sellers and the Principal Owners
“associates”, “connected person(s)”	has the meaning ascribed to them under the Listing Rules
“Business”	the Sellers’ apparel related logistics, distribution, warehousing and alteration businesses, their business of providing consulting and information technology outsourcing services (which relates to managing supply chain activities in the US)
“Company”	Integrated Distribution Services Group Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Date”	14 December 2006 being the date of Completion
“Directors”	directors of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortization
“Effective Date”	31 October 2006, which represents the date as agreed among the parties from which IDS would assume all risks and rewards of the Business
“GOH”	Garments on Hangers
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“IDS”	IDS Impac Ltd., a wholly-owned subsidiary of the Company
“Initial Cash Consideration”	the initial cash consideration as described in the paragraph headed “Purchase Price adjustments, if any”
“Latest Practicable Date”	18 December 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
“Principal Owners”	Mr Richard Sapienza Jr. and Mr Steven Moses
“Purchase Price”	US\$35 million (approximately HK\$272.44 million)
“Sellers”	(a) Impac Logistic Services LLC, a New Jersey limited liability company, (b) Impac Administrative Services Inc., a New Jersey corporation, (c) Impac Logistics Services, Inc., a Florida corporation, (d) Impac Logistic Services, Inc., a California corporation, (e) S.D.S. Management & Consulting Services, Inc., a New Jersey corporation and (f) Innovative Methods, Packaging and Apparel Corrections, L.L.C., a New Jersey limited liability company. The Sellers are owned as to 100% by the Principal Owners
“Subsequent Payments”	the subsequent payments as described in the paragraph headed “Purchase Price adjustments, if any”
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.10 each of the Company
“Shareholder(s)”	holders of Share(s) of the Company in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America
“US\$”	US dollars, the lawful currency of the US

*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 US\$1 = HK\$7.784.*

## 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

22 December 2006

*To Shareholders*

Dear Sirs or Madam,

### **ACQUISITION OF BUSINESS OF IMPAC LOGISTIC SERVICES LLC AND ITS AFFILIATES DISCLOSEABLE TRANSACTION**

#### **INTRODUCTION**

On 1 December 2006 (New York time), IDS entered into the Asset Purchase Agreement to acquire the Business and substantially all of the related assets from the Sellers for (a) a cash consideration of US\$35 million (approximately HK\$272.44 million), subject to adjustments as set out in this circular; and (b) a cash payment not exceeding US\$7.5 million (approximately HK\$58.38 million), subject to adjustment as set out in this circular. Completion took place on 14 December 2006.

## LETTER FROM THE CHAIRMAN

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.

### ASSET PURCHASE AGREEMENT

#### Parties

- (i) IDS;
- (ii) the Sellers; and
- (iii) the Principal Owners.

#### Assets acquired

IDS acquired the Business and substantially all of the related assets from the Sellers.

#### Consideration

The cash consideration for the Acquisition will consist of:

- (i) the Purchase Price; and
- (ii) a total maximum cash payment of US\$7.5 million (approximately HK\$58.38 million) (the "Additional Payment") payable to the Sellers on achievement of certain adjusted EBITDA targets for each of the three financial years ending 31 December 2006, 2007 and 2008, with a maximum annual payment of US\$2.5 million (approximately HK\$19.46 million) per year. The range of the adjusted EBITDA targets to be achieved for the financial years ending 31 December 2006, 2007 and 2008 and the calculation of the Additional Payment are set out in the table below:

Financial Year Ending	Range of the Adjusted EBITDA targets	Amount of Additional Payment	Range of Additional Payment (Min-Max)
31 December 2006	US\$6.25 million (approximately HK\$48.65 million) to US\$7.5 million (approximately HK\$58.38 million)	US\$2 for every US\$1 over the minimum adjusted EBITDA target	US\$0-US\$2.5 million
31 December 2007	US\$6.5 million (approximately HK\$50.596 million) to US\$9 million (approximately HK\$70.056 million)	US\$1 for every US\$1 over the minimum adjusted EBITDA target	US\$0-US\$2.5 million

## LETTER FROM THE CHAIRMAN

Financial Year Ending	Range of the Adjusted EBITDA targets	Amount of Additional Payment	Range of Additional Payment (Min–Max)
31 December 2008	US\$8.5 million (approximately HK\$66.164 million) to US\$11 million (approximately HK\$85.624 million)	US\$1 for every US\$1 over the minimum adjusted EBITDA target	US\$0–US\$2.5 million

The consideration of US\$42.5 million (approximately HK\$330.82 million) will be financed from the Company’s internal cash reserves for approximately US\$12.5 million (approximately HK\$97.3 million) and bank borrowings for approximately US\$30 million (approximately HK\$233.52 million) and was arrived at based on arm’s length negotiation between the parties taking into consideration, among others things, (a) the average adjusted EBITDA for financial years ended 31 December 2004 and 2005 of the Business being approximately US\$5.332 million (approximately HK\$41.504 million) and (b) net asset value of the Business to be transferred to IDS as of the Completion Date being not less than US\$10 million (approximately HK\$77.84 million). The Purchase Price represents an EBITDA multiple of approximately 6.6 times of the Business based on average adjusted EBITDA for the financial years ended 31 December 2004 and 2005.

### **Purchase Price adjustments, if any**

Under the Asset Purchase Agreement, the Purchase Price will be payable to the Sellers in the following instalments:

- i. US\$21 million (approximately HK\$163.464 million) (the “Initial Cash Consideration”), being 60% of the Purchase Price, together with interest accrued thereon at a rate of 5% from the Effective Date to the Completion Date, was paid on Completion Date;
- ii. US\$3.5 million (approximately HK\$27.244 million), being 10% of the Purchase Price will be payable on 30 April 2007;
- iii. US\$3.5 million (approximately HK\$27.244 million), being 10% of the Purchase Price will be payable on 30 April 2008; and
- iv. US\$7.0 million (approximately HK\$54.488 million), being 20% of the Purchase Price will be payable on 30 April 2009

(sub payments under (ii), (iii) and (iv), together the “**Subsequent Payments**”).

The Initial Cash Consideration was subject to adjustment according to the net asset value of the Business as at the Completion Date and the Effective Date, which will be assessed by IDS within 45 days from the Completion Date. Such adjustment is not expected to exceed US\$1,000,000 (approximately HK\$7.784 million). Any disputes as to the adjustment will be resolved by the appointment of independent firm of certified public accountants of international repute whose decision, in the absence of fraud or manifest error, shall be final and binding on IDS and the Sellers.

## LETTER FROM THE CHAIRMAN

The Subsequent Payments are subject to a downward adjustment on a pro-rata basis if the adjusted EBITDA for each of the three years ending 31 December 2006, 2007 and 2008 falls below a minimum agreed EBITDA target of US\$5.5 million (approximately HK\$42.812 million). The maximum downward adjustments to the Subsequent Payments in 2007, 2008 and 2009 will be US\$3.5 million (approximately HK\$27.244 million), US\$0.875 million (approximately HK\$6.811 million) and US\$1.75 million (approximately HK\$13.622 million) respectively.

### **Completion**

The conditions to the Completion have either been satisfied or modified to the extent that they will be satisfied within a reasonable time after Completion. Completion took place on the Completion Date.

On Completion Date, the Sellers sold, transferred and assigned to IDS their accounts and other receivables, their customer contracts, leases, other contracts, licenses and agreements, tangible property, intellectual property, books and records, etc in connection with the Business but excluding cash and cash equivalent of the Business, receivables due from the Sellers' owners, officers or directors and personal property, etc., and IDS entered into the employment and consulting agreements with the Principal Owners and the consulting companies respectively. The Principal Owners have been employed by IDS as co-presidents for a term commencing from the Completion Date until 31 December 2008.

### **INFORMATION OF THE SELLERS**

The Sellers are privately-owned, US based third party logistics providers of a broad array of services to the apparel industry with specialized expertise in GOH. Their scope of services include full service pick and pack, bulk distribution, fulfillment, catalog-distribution, ground and air transportation, and value added IT services to leading US retailers and manufacturers. They have extensive operations in New Jersey, Los Angeles and Miami with 11 distribution centres totaling 1.4 million square feet. They employ about 1,000 employees.

The net profits before and after tax and extraordinary items attributable to the Business for the year ended 31 December 2005 based on unaudited accounts (after adjustment of US\$401,000 (approximately HK\$3.12 million)) were US\$3.15 million (approximately HK\$24.52 million) and US\$3.12 million (approximately HK\$24.286 million) respectively determined in accordance with the US generally accepted accounting principles. The corresponding figures for the year ended 31 December 2004 based on unaudited accounts determined under the US generally accepted accounting principles were US\$6.84 million (approximately HK\$53.243 million) and US\$6.83 million (approximately HK\$53.165 million) respectively. The revenue attributable to the Business acquired for the year ended 31 December 2005 was approximately US\$45.9 million (approximately HK\$357.286 million). As the Business was privately owned by the Sellers in the US, no audited accounts were historically required to be prepared. Management has conducted appropriate due diligence review on the unaudited accounts of the Business to satisfy that the financial information provided in the unaudited accounts could be used as a basis to determine the Purchase Price.



## LETTER FROM THE CHAIRMAN

To the best of knowledge, information and belief of the Directors having made all reasonable enquiry, the Sellers and the Principal Owners are third parties independent of the Company and the connected persons of the Company.

### REASONS FOR AND EFFECTS OF THE ACQUISITION

The Group are a leading integrated-distribution services provider in Asia covering the three core businesses of Marketing, Logistics and Manufacturing. The Directors anticipate that the Acquisition will complement the Company's export logistics business in China, where most of the exports to the US and Europe originate. It is also anticipated that the Acquisition will give the Company immediate entry into the apparel logistics/GOH sector which will enable the Company to gradually add on the potential business from its customers who currently outsource this business to other third party service providers. The Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

Upon Completion, the value of the net assets delivered by the Sellers would be no less than US\$10 million (approximately HK\$77.84 million) and which will be assessed by IDS within 45 days from the Completion Date. The Group's assets have been increased by the extent of assets acquired from the Sellers estimated at US\$10 million (approximately HK\$77.84 million) and the goodwill generated is estimated at US\$25 million (approximately HK\$194.6 million) (excluding the Additional Payment). The Group's liabilities have been increased by (i) the amount of bank borrowings estimated at US\$21 million (approximately HK\$163.464 million) for financing the Initial Cash Consideration and (ii) the amount of US\$14 million (approximately HK\$108.976 million) due to the Sellers for the balance of the consideration (excluding the Additional Payment). Incremental earnings have been generated for the Group subsequent to the Acquisition.

### 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

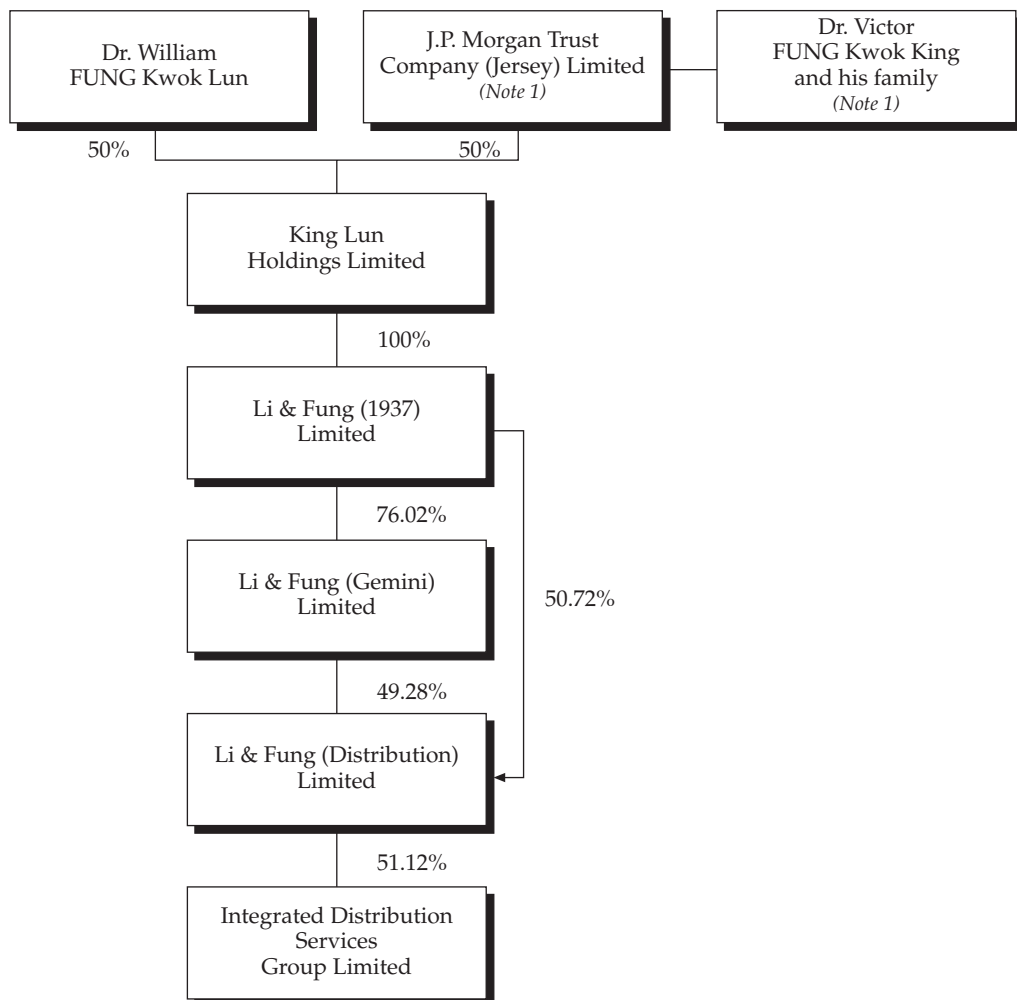
### (I) Interests of Directors and the Chief Executives

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 the Shares 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 14 December 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 for Securities Transactions by Directors of Listed Companies.

(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
		HK\$		
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 manager	22,065,000	7.14
Brookside Capital Investors, L.P.	Interest of controlled corporation	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 <sup>®</sup> Shanghai IDS Shen Hong Logistics Co., Ltd.	上海申宏有限公司 <sup>®</sup> Shanghai Shen Hong Company	20
上海利和物流有限公司 <sup>®</sup> Shanghai IDS Logistics Co., Ltd.	上海申宏有限公司 <sup>®</sup> Shanghai Shen Hong Company	20
Slumberland Asia Pacific Limited	Bico AG	32.5
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

<sup>®</sup> 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.