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If you have sold or transferred all your shares in Integrated Distribution Services Group Limited, you should at once hand this circular and the accompanying form of proxy 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)

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES
GENERAL MANDATE TO REPURCHASE SHARES
FINAL DIVIDEND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2007 annual general meeting of Integrated Distribution Services Group Limited to be held at Stork Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 22 May 2007 at 12:00 noon is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

CONTENT

	<i>Page</i>
Definitions	1
Letter from the Chairman	3
Appendix I — Explanatory Statement	7
Appendix II — Details of Retiring Directors Proposed for Re-election	10
Notice of Annual General Meeting	13
Accompanying documents:	
(i) Form of Proxy	
(ii) 2006 Annual Report	

DEFINITIONS

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

“2006 AGM”	The annual general meeting of the Company held on 25 May 2006
“2007 AGM”	The 2007 annual general meeting of the Company to be held at Stork Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 22 May 2007 at 12:00 noon, notice of which is set out on pages 13 to 16 of this circular
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	The board of Directors or a duly authorized committee thereof
“Bye-laws”	The bye-laws of the Company
“Company”	INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	The directors of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 April 2007, 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
“Notice”	The notice of the 2007 AGM set out on pages 13 to 16 of this circular
“Share(s)”	share(s) of US\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“HK\$ and cents”	Hong Kong dollar and cents respectively, the lawful currency of Hong Kong
“%”	per cent



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*
Prof. LEE Hau Leung*
Dr. William FUNG Kwok Lun
Jeremy Paul Egerton HOBBS
LAU Butt Farn

* *Independent Non-executive Director*

Executive Directors:

Benedict CHANG Yew Teck
(Group Managing Director)
Joseph Chua PHI
Rajesh Vardichand RANAVAT

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 April 2007

To Shareholders

Dear Sirs or Madam,

**PROPOSALS FOR
GENERAL MANDATE TO ISSUE SHARES
GENERAL MANDATE TO REPURCHASE SHARES
FINAL DIVIDEND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the 2007 AGM, and information regarding the resolutions to be proposed at the 2007 AGM. They are:- (i) grant of general mandate to issue Shares; (ii) grant of general mandate to repurchase Shares; (iii) payment of final dividend; and (iv) re-election of Directors.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO ISSUE SHARES

At the 2006 AGM, a general and unconditional mandate was given to the Directors to allot, issue and deal with additional Shares of the Company up to a limit of 20% of the aggregate nominal amount of the issued share capital of the Company as at that date.

Such general mandate will cease to be effective at the conclusion of the 2007 AGM. The Directors believe that the renewal of the general mandate is in the interest of the Company and the Shareholders. Accordingly, a renewal of the general mandate will be sought from the Shareholders at the 2007 AGM to authorise the Directors to allot, issue and deal with additional Shares of the Company up to (i) 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution for such renewal plus (ii) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of such resolutions (the “**Issue Mandate**”).

The full text of the ordinary resolutions to be proposed at the 2007 AGM in relation to the Issue Mandate are set out in resolutions 5 and 7 in the Notice.

GENERAL MANDATE TO REPURCHASE SHARES

At the 2006 AGM, a general and unconditional mandate was given to the Directors to repurchase Shares of the Company on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at that date. A further general mandate was also given to the Directors to allot and issue Shares repurchased by the Company pursuant to such repurchase mandate. No Shares have been repurchased pursuant to such repurchase mandate.

Under the terms of the repurchase mandate and the Listing Rules, such repurchase mandate will lapse at (i) the conclusion of the 2007 AGM; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Companies Act 1981 of Bermuda (as amended) to be held; or (iii) the revocation by ordinary resolution of the Shareholders in general meeting, whichever is the earliest, unless renewed at the 2007 AGM.

The Directors believe that a renewal of such repurchase mandate is in the interest of the Company and the Shareholders. Accordingly, an ordinary resolution will be proposed at the 2007 AGM which will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares at any time until the next annual general meeting of the Company following the passing of such resolution or such earlier period as stated in such resolution up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution (the “**Repurchase Mandate**”). The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in the Appendix I to this circular.

The full text of the ordinary resolution to be proposed at the 2007 AGM in relation to the Repurchase Mandate is set out in resolution 6 in the Notice.

FINAL DIVIDEND

The Board has recommended a final dividend of HK28 cents per Share subject to Shareholders' approval at the 2007 AGM.

The Register of Shareholders will be closed from 16 May 2007 to 22 May 2007 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 15 May 2007.

RE-ELECTION OF DIRECTORS

According to Bye-law 87 of the Bye-laws, at each annual general meeting one-third of the Directors who have been longest in office since their appointment shall retire by rotation and every director should also be subject to retirement by rotation at least once every three years.

Accordingly, Dr. William FUNG Kwok Lun, Mr. Joseph Chua PHI, Mr. John Estmond STRICKLAND, Dr. FU Yu Ning and Prof. LEE Hau Leung will retire at the 2007 AGM by rotation. All retiring directors, being eligible, will offer themselves for re-election. Their requisite details are set out in Appendix II of this circular.

Under resolution 3, the re-election of Directors will be individually voted on by Shareholders.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any member(s) present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) member(s) present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

In order to enhance shareholders' rights, the Chairman will demand a poll, pursuant to Bye-law 66 of the Bye-laws, on each of the questions submitted for determination at the 2007 AGM. The results of the poll will be published in the local newspapers and on the Company's and the Stock Exchange's websites on the business day following the 2007 AGM.

LETTER FROM THE CHAIRMAN

NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 13 to 16 of this circular.

There is enclosed a form of proxy for use at the 2007 AGM. A member entitled to attend and vote at the 2007 AGM may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Whether or not you intend to be present at the 2007 AGM, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the 2007 AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the 2007 AGM should you so wish.

RECOMMENDATION

The Directors believe that the proposals mentioned above, including, among others, the proposals for the grant of the Issue Mandate and the grant of the Repurchase Mandate, are in the interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of all of these resolutions to be proposed at the 2007 AGM.

Yours faithfully,
Victor FUNG Kwok King
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders for their consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 310,354,000 Shares. Subject to the passing of resolution 6 approving the Repurchase Mandate as set out in the Notice and on the basis that no further Shares will be issued or repurchased prior to the 2007 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 31,035,400 Shares until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the Companies Act 1981 of Bermuda (as amended) to be held; or (iii) the revocation by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASE

A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per share and will only be made when the Directors believe that such purchase will be to the benefit of the Company and the Shareholders.

3. FUNDING OF REPURCHASES

The Directors propose that repurchases of Shares under the Repurchase Mandate will be financed from the Company's funds which would otherwise be available for dividends or distributions, or proceeds of a new issue of Shares made for such purpose. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda.

The Directors consider that if the Repurchase Mandate is exercised in full, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2006. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

4. DISCLOSURE OF INTERESTS

None of the Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of the Directors have a present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

No connected person of the Company has notified the Company of any present intention to sell Shares to the Company and no such person has undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is exercised.

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, in the event that the Repurchase Mandate is exercised, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

6. SHARE PRICE

The highest and lowest prices at which Shares were traded on the Stock Exchange in each of the twelve months prior to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2006		
April	11.60	9.90
May	13.20	11.25
June	13.85	11.60
July	15.00	13.40
August	14.82	13.30
September	14.46	12.20
October	15.84	15.18
November	15.70	14.18
December	15.10	14.16
2007		
January	15.12	14.20
February	18.30	15.20
March	18.98	16.20

7. TAKEOVERS CODE

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Li & Fung (Distribution) Limited ("LFD") was interested in 155,860,917 Shares (representing approximately 50.22% of the Company's issued share capital) and was a controlling Shareholder (as defined in the Listing Rules) of the Company. Based on the said interests of LFD in the issued share capital of the Company as at the Latest Practicable Date, in the event that the Repurchase Mandate is exercised in full, the interests of LFD in the issued share capital of the Company will be increased to approximately 55.80%, and, due to its more than 50% interest in the Company, LFD will not be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such increase.

8. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months prior to the date of this circular.

The followings are the details of Dr. William FUNG Kwok Lun, Mr. Joseph Chua PHI, Mr. John Estmond STRICKLAND, Dr. FU Yu Ning and Prof. LEE Hau Leung, all of whom will retire at the 2007 AGM in accordance with Bye-law 87 of the Bye-laws and being eligible, offer themselves for re-election.

Dr. William FUNG Kwok Lun, OBE, JP, aged 58, brother of Dr. Victor FUNG Kwok King, has been a director of Li & Fung (Distribution) Limited and a Non-executive Director of the Company since January 1999 and August 2004 respectively. Dr. Fung is Group Managing Director of Li & Fung Limited and has held key positions in major trade associations. He is a past Chairman of the Hong Kong General Chamber of Commerce, the Hong Kong Exporters' Association and the Pacific Economic Cooperation Committee. He is currently a member of the Hong Kong Trade Development Council. He graduated from Princeton University with a Bachelor of Science degree in Engineering and holds an MBA degree from the Harvard Graduate School of Business. He was conferred the degree of Doctor of Business Administration, *honoris causa*, by the Hong Kong University of Science & Technology. Dr. Fung is an independent non-executive director of HSBC Holdings PLC, CLP Holdings Limited, VTech Holdings Limited and Shui On Land Limited. Dr. Fung is also a non-executive director of Convenience Retail Asia Limited and a director of King Lun Holdings Limited, Li & Fung (1937) Limited and Li & Fung (Gemini) Limited.

Dr. Fung has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company's Bye-laws. For the financial year ended 31 December 2006, he has received a director's fee of HK\$80,000. The basis of determining such director's fee is set out in the Corporate Governance section of the Company's 2006 Annual Report.

Joseph Chua PHI, aged 44, is the Chief Operating Officer of IDS Group. He joined IDS Logistics (Hong Kong) Limited in 1999 and has been an Executive Director of the Company since August 2004. He graduated magna cum laude from the University of the Philippines with a Bachelor of Science degree in Industrial Engineering, and attained an MBA degree with top honours from the same university. Between 1984 and 1995, Mr. Phi worked with Colgate-Palmolive Company in a number of Asian locations covering the areas of purchasing, production planning, manufacturing, logistics and supply chain management. Between 1995 and 1999, he worked with HAVI Food Services as General Manager and later Managing Director of its Taiwan subsidiary. He is a member of Phi Kappa Phi and Phi Gamma Mu international honour societies. He also holds directorships in various subsidiaries of the Company.

Mr. Phi has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company's Bye-laws. For the financial year ended 31 December 2006, he has received a director's fee of HK\$80,000. Under another service contract with Mr. Phi, he has received a basic salary of US\$277,489 for the financial year ended 31 December 2006 and bonus based on performance. The remuneration of Mr. Phi is determined on the basis of his relevant experience, responsibility and workload.

John Estmond STRICKLAND, GBS JP, aged 67, has been an Independent Non-executive Director of the Company since October 2004. He spent most of his working career with HSBC. From 1996 to 1998 he was chairman of HongkongBank, which has responsibility for HSBC's operations in

Asia Pacific. Presently he is chairman of Hong Kong Cyberport Management Co Ltd, a director of Hong Kong Exchanges and Clearing Limited, Esquel Holdings Inc and Yoma Strategic Holdings Ltd. He is a member of the Council of The University of Hong Kong, President of the Outward Bound Trust, and a member of the boards of a number of non-government organizations. He has honorary doctorates awarded by City University of Hong Kong and the Hong Kong Polytechnic University.

Mr. Strickland has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company's Bye-laws. For the financial year ended 31 December 2006, he has received a director's fee of HK\$80,000 as an Independent Non-executive Director and HK\$70,000 as the Chairman of Audit Committee. The basis of determining such directors' fee is set out in the Corporate Governance section of the Company's 2006 Annual Report.

Dr. FU Yu Ning, aged 50, has been an Independent Non-executive Director of the Company since November 2004. Dr. Fu graduated from Dalian Institute of Technology in the PRC with a Bachelor Degree in Port and Waterway Engineering. He also obtained a Doctorate Degree in Mechanical Engineering from Brunel University, United Kingdom and worked as a Post-Doctorate research fellow thereafter. Dr. Fu is the Chairman of China Merchants Holdings (International) Company Limited and China Merchants China Direct Investments Limited, Independent Non-Executive Director of Sino Land Company Limited, all Hong Kong listed companies. He is also the Chairman of Shenzhen Chiwan Petroleum Supply Base Co., Ltd., a company listed in the Shenzhen Stock Exchange, and a Director of China Merchants Bank, listed in Shanghai Stock Exchange. Dr. Fu is now Director and President of China Merchants Group Ltd., and also holds directorship in some social associations, including a Director of the Hong Kong General Chamber of Commerce and Hong Kong Port Development Council.

Dr. Fu has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company's Bye-laws. For the financial year ended 31 December 2006, he has received a director's fee of HK\$80,000 as an Independent Non-executive Director and HK\$70,000 as a member of Audit and Nomination Committees. The basis of determining such director's fee is set out in the Corporate Governance section of the Company's 2006 Annual Report.

Prof. LEE Hau Leung, aged 54, has been an Independent Non-executive Director of the Company since November 2004. He is the Thoma Professor of Operations, Information and Technology at the Graduate School of Business at Stanford University. His areas of specialization are in supply chain management, global logistics system design, inventory planning, and manufacturing strategy. He is the founding and current Director of the Stanford Global Supply Chain Management Forum, an industry-academic consortium to advance the theory and practice of global supply chain management. Prof. Lee was elected a Fellow of Manufacturing and Service Operations Management in 2001; a Fellow of INFORMS in 2005; and a Fellow of the Production and Operations Management Society in 2005. Prof. Lee has consulted extensively for companies such as LG, KLA-Tencor, Hewlett-Packard Company, Savi Technology, Nortel Networks, SUN Microsystems, Apple Computer, IBM, Lucent Technologies, General Motors, Xilinx Corp., Accenture, Eli Lilly and Company, Microsoft, Nokia, and Motorola. He is a co-founder of Evant, DemandTec, SignalDemand and TrueDemand, all supply chain software companies. Prof. Lee obtained his Bachelor of Social Science degree in Economics and Statistics from

the University of Hong Kong in 1974, his Master of Science degree in Operational Research from the London School of Economics in 1975, and his Master of Science and a Doctorate Degree in Operations Research from the University of Pennsylvania in 1981 and 1983 respectively.

Prof. Lee has entered into a service contract with the Company for a fixed term of three years, but will be subject to retirement by rotation and re-election at annual general meeting pursuant to the Company's Bye-laws. For the financial year ended 31 December 2006, he has received a director's fee of HK\$80,000 as an Independent Non-executive Director and HK\$70,000 as a member of Audit and Compensation Committees. The basis of determining such director's fee is set out in the Corporate Governance section of the Company's 2006 Annual Report.

Prof. Lee, in his professional capacity as a world-renowned authority on supply chain management, provided a workshop on "The AAA Concept of supply chain management — Agility, Adaptability and Alignment" to our senior managers in February 2006 and in conjunction with Chulalongkorn University, he further participated as a guest speaker on "Inaugural IDS Value-Chain Logistics Seminar" to around 600 attendees in Bangkok in December 2006. This seminar was organized to support education and research in supply chain management and logistics at Chulalongkorn University. As a token of appreciation, the Company and Li & Fung (1906) Foundation (a connected person) paid an aggregate fee of US\$39,500 to Prof. Lee. Both the Company and Prof. Lee consider that the above provision of services at the fee specified would not affect his independence as an Independent Non-executive Director of the Company.

The interests in Shares of the Company of the above-mentioned Directors to be re-elected at the 2007 AGM are provided in the section — "Report of the Directors — Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" in the 2006 Annual Report of the Company. Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.



INTEGRATED DISTRIBUTION SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2387)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Stork Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 22 May 2007 at 12:00 noon for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2006;
2. To declare a final dividend of HK28 cents per share in respect of the year ended 31 December 2006;
3. To re-elect the following Directors:
 - (a) Dr. William FUNG Kwok Lun as Non-executive Director;
 - (b) Mr. Joseph Chua PHI as Executive Director;
 - (c) Mr. John Estmond STRICKLAND as Independent Non-executive Director;
 - (d) Dr. FU Yu Ning as Independent Non-executive Director;
 - (e) Prof. LEE Hau Leung as Independent Non-executive Director;
4. To re-appoint PricewaterhouseCoopers as Auditors and authorise the Board of Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of (aa) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution plus (bb) (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution), and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of :

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda (as amended) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors of the Company to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”;

6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of the Company be generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares which may be purchased in The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of :

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda (as amended) to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”;
7. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT** the Directors of the Company be authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 5 in the notice of this Meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of the paragraph (c) of such resolution.”

By Order of the Board
YUEN Ying Kwai
Company Secretary

Hong Kong, 23 April 2007

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney or authority shall be deposited with the Company’s Hong Kong branch share registrar, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting. The proxy form will be published on the website of The Stock Exchange of Hong Kong Limited and can also be downloaded from the Company’s website: www.idsgroup.com.

NOTICE OF ANNUAL GENERAL MEETING

- (3) The Register of Shareholders will be closed from 16 May 2007 to 22 May 2007 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 15 May 2007.
- (4) The Chairman of the Meeting will demand a poll on each of the questions submitted for determination at the 2007 Annual General Meeting.