

**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 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  
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
REMUNERATION TO DIRECTORS  
REFRESHMENT OF THE SCHEME MANDATE LIMIT OF  
THE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2008 annual general meeting of Integrated Distribution Services Group Limited to be held at Pheasant-Jasmine Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 16 May 2008 at 12:00 noon is set out on pages 16 to 20 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 to the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong 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.

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## DEFINITIONS

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

“2007 AGM”	the annual general meeting of the Company held on 22 May 2007
“2008 AGM”	the 2008 annual general meeting of the Company to be held at Pheasant-Jasmine Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 16 May 2008 at 12:00 noon, notice of which is set out on page 16 to 20 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 Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Notice”	the notice of the 2008 AGM set out on pages 16 to 20 of this circular
“Option(s)”	the right granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme

## DEFINITIONS

“Proposed Refreshment”	the Scheme Mandate Limit proposed to be refreshed by the Shareholders at the 2008 AGM pursuant to which the Board may grant options to eligible participants under the Share Option Scheme and any other share option schemes of the Company to subscribe for up to 10% of the Shares in issue as at the date of the 2008 AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and which shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Share(s)”	share(s) of US\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 4 November 2004 (as amended from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“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*)  
John Estmond STRICKLAND<sup>#</sup>  
Dr. FU Yu Ning<sup>#</sup>  
Prof. LEE Hau Leung<sup>#</sup>  
Dr. William FUNG Kwok Lun  
William Winship FLANZ  
Jeremy Paul Egerton HOBBS  
LAU Butt Farn  
Rajesh Vardichand RANAVAT

<sup>#</sup> *Independent Non-executive Director*

***Registered Office:***

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

***Executive Directors:***

Benedict CHANG Yew Teck  
*(Group Managing Director)*  
Joseph Chua PHI  
*(President and Regional Managing Director of IDS Group)*

***Principal Place of Business:***

15th Floor, LiFung Centre  
2 On Ping Street  
Siu Lek Yuen, Shatin, N.T.  
Hong Kong

23 April 2008

*To Shareholders*

Dear Sirs or Madam,

**PROPOSALS FOR  
GENERAL MANDATE TO ISSUE SHARES  
GENERAL MANDATE TO REPURCHASE SHARES  
FINAL DIVIDEND  
RE-ELECTION OF DIRECTORS  
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
REMUNERATION TO DIRECTORS  
REFRESHMENT OF THE SCHEME MANDATE LIMIT OF  
THE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you notice of the 2008 AGM, and information regarding the resolutions to be proposed at the 2008 AGM. They are: (i) grant of general mandate to issue Shares; (ii) grant of general mandate to repurchase Shares; (iii) payment of final dividend; (iv) re-election of Directors; (v) proposed appointment of an Independent Non-executive Director; (vi) payment of remuneration to Directors; and (vii) Proposed Refreshment.

## LETTER FROM THE CHAIRMAN

### GENERAL MANDATE TO ISSUE SHARES

At the 2007 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 2008 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 2008 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**”).

As at the Latest Practicable Date, the issued share capital of the Company comprised 315,046,000 Shares. Subject to the passing of the Issue Mandate by the Shareholders and on the basis that no further Shares will be issued or repurchased prior to 2008 AGM, the Company would be allowed under the Issue Mandate to issue a maximum 63,009,200 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.

The full text of the ordinary resolutions to be proposed at the 2008 AGM in relation to the Issue Mandate are set out in resolutions 7 and 9 in the Notice.

### GENERAL MANDATE TO REPURCHASE SHARES

At the 2007 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 2008 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 2008 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 2008 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.

## LETTER FROM THE CHAIRMAN

The full text of the ordinary resolution to be proposed at the 2008 AGM in relation to the Repurchase Mandate is set out in resolution 8 in the Notice.

### **FINAL DIVIDEND**

The Board has recommended a final dividend of 30 HK cents per Share subject to Shareholders' approval at the 2008 AGM.

The Register of Shareholders will be closed from 2 May 2008 to 7 May 2008 (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, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 30 April 2008.

### **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 last re-election or appointment (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire by rotation and every Director shall also be subject to retirement by rotation at least once every three years.

Accordingly, Messrs. Benedict CHANG Yew Teck, Jeremy Paul Egerton HOBBS, LAU Butt Farn and William Winship FLANZ will retire at the 2008 AGM by rotation. Mr. Flanz has decided not to stand for re-election due to other commitments. There is no disagreement between Mr. Flanz and the Board and there is no matter which needs to be brought to the attention of the Shareholders. The other retiring Directors, being eligible, will offer themselves for re-election. The requisite details of the Directors proposed to be re-elected at the 2008 AGM are set out in Appendix II of this circular.

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

### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

At the 2008 AGM, an ordinary resolution will be put forward to the Shareholders in relation to the proposed appointment of Mr. Andrew TUNG Lieh Cheung as an Independent Non-executive Director. The requisite details of Mr. Tung are set out in Appendix III of this circular.

### **REMUNERATION TO DIRECTORS**

With an aim to fairly remunerate the Directors in view of their public accountability and time and effort spent on the Board and various committees, a review on the adequacy of Directors' remuneration was conducted. The proposed Directors' fees were benchmarked against other comparable companies in Hong Kong. After the review, the Board has recommended to pay additional Directors' fees to the Directors for the year ending 31 December 2008 and each subsequent financial year until the Company in general meeting otherwise determines. The proposed Directors' fees are set out in resolution 5 of the Notice.

# LETTER FROM THE CHAIRMAN

## REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

### (1) Proposed Refreshment

Pursuant to the terms of the Share Option Scheme and in compliance with the provisions of Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and all other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme, being 30,000,000 Shares. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the 10% limit.

Unless the Scheme Mandate Limit is refreshed, the Company may only grant Options to subscribe for up to 1,131,000 Shares pursuant to the Share Option Scheme.

As at the Latest Practicable Date, Options to subscribe for 31,105,500 Shares have been granted under the Share Option Scheme since the adoption of the Share Option Scheme, which are divided into:

- (i) Options to subscribe for 6,046,000 Shares that have been exercised;
- (ii) Options to subscribe for 2,236,500 Shares that have been lapsed; and
- (iii) Options to subscribe for 22,823,000 Shares that have been granted but not yet exercised, representing approximately 7.24% of the issued share capital of the Company.

As at the Latest Practicable Date, the total number of Shares in issue is 315,046,000 Shares. Upon the Proposed Refreshment and assuming that the total number of Shares in issue remains unchanged as at the date of the 2008 AGM, the Company may grant Options to eligible participants under the Share Option Scheme and all other share option schemes of the Company to subscribe for a maximum of 31,504,600 Shares, being 10% of the Shares in issue as at the date of approval of the Proposed Refreshment. Options previously granted under the Share Option Scheme and/or any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other share option schemes of the Company) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. As at the Latest Practicable Date, the Company does not have any other share option scheme apart from the Share Option Scheme.

Pursuant to the terms of the Share Option Scheme and in accordance with the relevant provisions of Chapter 17 of the Listing Rules, the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option scheme of the Company if it will result in the aforesaid 30% limit being exceeded.

The Directors consider that it is in the interest of the Company to refresh the Scheme Mandate Limit to permit the grant of further Options under the Share Option Scheme so as to provide incentives to and recognize the contribution of the eligible participants, including the Group's employees, under the Share Option Scheme.



## LETTER FROM THE CHAIRMAN

At the 2008 AGM, an ordinary resolution will be proposed to the Shareholders to approve the Proposed Refreshment so that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and all other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the 2008 AGM.

### **(2) Conditions**

The Proposed Refreshment is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the Proposed Refreshment at the 2008 AGM; and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment not exceeding 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the 2008 AGM.

### **(3) Application for Listing**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which fall to be issued upon the exercise of any Options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment.

### **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.

## LETTER FROM THE CHAIRMAN

In order to enhance shareholders' rights, the chairman of the 2008 AGM will demand a poll, pursuant to Bye-law 66 of the Bye-laws, on each of the questions submitted for determination at the 2008 AGM. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.idsgroup.com](http://www.idsgroup.com) following the 2008 AGM.

### NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 16 to 20 of this circular.

There is enclosed a form of proxy for use at the 2008 AGM. A member entitled to attend and vote at the 2008 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 2008 AGM, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tricor Abacus 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 2008 AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the 2008 AGM should you so wish.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 herein misleading.

### RECOMMENDATION

The Directors believe that the proposals mentioned above, including, among others, the proposals for the grant of the Issue Mandate, the Repurchase Mandate and the Proposed Refreshment, 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 2008 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 315,046,000 Shares. Subject to the passing of resolution 8 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 2008 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 31,504,600 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 2007. 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:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2007</b>		
April	24.95	19.00
May	23.75	22.00
June	27.50	23.30
July	25.20	24.20
August	26.10	21.80
September	30.05	25.15
October	33.50	30.00
November	30.45	25.20
December	25.75	23.75
<b>2008</b>		
January	24.70	20.00
February	23.00	21.00
March	22.50	19.98
April (up to the Latest Practicable Date)	22.00	19.90

## 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 (1937) Limited ("LF 1937") is interested in (directly and indirectly) approximately 44.80% of the Company's issued share capital and is one of the substantial shareholders (as defined in Rule 1.01 of the Listing Rules) of the Company. Based on the said interests of LF 1937 in the issued share capital of the Company as at the Latest Practicable Date, in the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the terms of the resolution to be proposed at the 2008 AGM, the interests of LF 1937 (direct and indirect) in the issued share capital of the Company will be increased to approximately 49.77% and they would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such

increase. The Directors have no intention to exercise the Repurchase Mandate to such extent that would give rise to an obligation on the part of LF 1937 to make a mandatory general offer under Rule 26 of the Takeovers Code.

#### **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 Messrs. Benedict CHANG Yew Teck, Jeremy Paul Egerton HOBBS and LAU Butt Farn, all of whom will retire at the 2008 AGM in accordance with Bye-law 87 of the Bye-laws and being eligible, offer themselves for re-election.

**Benedict CHANG Yew Teck**, aged 54, is the Group Managing Director of the Company. He has been a director of Li & Fung (Distribution) Limited, a substantial shareholder of the Company, since April 1999 and an Executive Director of the Company since October 2003.

Prior to joining IDS, Mr. Chang spent 13 years in various senior executive positions with the HAVI Group LP, a US-based partnership. He was Group Managing Director of HAVI's Asia-Pacific operations which provided logistics, manufacturing, purchasing and supply chain management services to McDonald's in the Asia-Pacific. He was also Senior Vice-President and Partner of HAVI and sat on the Executive Board of the HAVI Group LP.

Mr. Chang is a graduate of the University of Surrey, United Kingdom, with a Bachelor of Science degree in Marine Engineering. As a Keppel scholar, Mr. Chang then spent his early career as Ship Repair Manager with Keppel Corporation Limited in Singapore. He was subsequently appointed Project Director of the Allied Food Group and then Director of Manufacturing at Allied Cocoa Industries, a subsidiary of the Cocoa Division of W.R. Grace.

Mr. Chang founded Domino's Pizza Malaysia in 1997 and was a board member of Delifrance Asia Pte Limited. He is currently the Chairman of the Advisory Committee of the Li & Fung Institute of Supply Chain Management and Logistics of the Chinese University of Hong Kong and is also a member of the Advisory Board of the School of Information Systems, Singapore Management University.

Mr. Chang holds directorships in various subsidiaries of the Company. He did not hold any directorships in other listed public companies in the past three years. Save as disclosed above, he does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Chang 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 2007, he has received a director's fee of HK\$80,000. Under another service contract with Mr. Chang, he has received a basic salary of US\$346,136 for the financial year ended 31 December 2007 and bonus based on performance. The remuneration of Mr. Chang is determined on the basis of his relevant experience, responsibility and workload.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Mr. Chang is taken to be interested in 4,262,573 Shares and 11,070,000 underlying Shares in respect of Share Options granted under the Share Option Scheme of the Company and options granted by Li & Fung (1937) Limited. Details of his interest are provided in the section – "Report of the Directors – Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in the 2007 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.

**Jeremy Paul Egerton HOBBS**, aged 60, has been a director of Li & Fung (Distribution) Limited, a substantial shareholder of the Company, since April 1999 and a Non-executive Director of the Company since October 2003. He has been the executive director and Group Managing Director of Trinity Limited since December 2006 and March 2007 respectively. He was the Chief Executive of Inchcape Marketing Services-Asia Pacific and was also the Chief Executive Officer of Inchcape Marketing Services Limited which was listed in Singapore, from 1997 to 1998. In addition, he served as a member of the Group Management Board of Inchcape plc and a director of Inchcape NRG, a business machines joint-venture with Ricoh. Previously, he was the Chief Executive Officer of Inchcape Buying Services from 1993 to 1996. Before joining the Inchcape group in 1993, he was the President and Chief Executive Officer of the Campbell Soup Company, UK and Ireland, and previously was President of the Dairy Division of Ault Foods, Canada. He has also held senior positions at Procter & Gamble, Hutchison Whampoa and Cadbury Schweppes where he started his career in brand management. He is a non-executive director of Convenience Retail Asia Limited.

Save as disclosed above, Mr. Hobbins does not hold any other position with the Group, he did not hold any directorships in other listed public companies in the past three years and he does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Hobbins 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 2007, he has received a director's fee of HK\$80,000 as a Non-executive Director and HK\$30,000 as a member of Nomination Committee.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Mr. Hobbins is taken to be interested in 4,922,999 Shares. Details of his interests are provided in the section – "Report of the Directors – Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in the 2007 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.

**LAU Butt Farn**, aged 60, has been a Non-executive Director of the Company since October 2003. He graduated from the University of London with a Bachelor of Science degree in Physics and is a fellow of the Institute of Chartered Accountants in England and Wales. He joined the Li & Fung Group in 1981 as financial controller. Between 1985 and 1998, he was the Operations Director for Li & Fung (Retailing) Limited (the retailing arm of the Li & Fung group of companies) with operations in Circle K Convenience Stores (HK) Limited and Toys "R" Us-Lifung Limited. He was then the Chief Financial Officer of Li & Fung (Distribution) Limited until 2004. Mr. Lau is also responsible for the merger and acquisition and other corporate finance activities of Li & Fung Group. He is a non-executive director of Li & Fung Limited. He is also a director of the substantial shareholders of the Company, namely: Li & Fung (1937) Limited and Li & Fung (Distribution) Limited.

Save as disclosed above, Mr. Lau does not hold any other position with the Group, he did not hold any directorships in other listed public companies in the past three years and he does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lau 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 2007, he has received a director's fee of HK\$80,000 as a Non-executive Director and HK\$40,000 as a member of Audit Committee.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Mr. Lau is taken to be interested in 610,549 Shares. Details of his interests are provided in the section – "Report of the Directors – Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in the 2007 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.



Set out below are the details of Mr. Andrew TUNG Lih Cheung who will be proposed to be appointed as an Independent Non-Executive Director at the 2008 AGM.

**Andrew TUNG Lih Cheung**, aged 43, has been a director and a member of Executive Committee of Orient Overseas Container Line Limited (“OOCL”) since March 2006. He is also in charge of Corporate Planning and Marketing Department of OOCL. He has been a director of Cargosmart (Hong Kong) Limited since November 2006. Prior to 2006, Mr. Tung was the Chief Operating Officer of Hong Kong Dragon Airlines Limited. Mr. Tung also worked for OOCL in various management capacities between 1993 and 1999. Mr. Tung holds a Bachelor degree from Princeton University and a Master of Business Administration from Stanford University in the USA.

Save as the proposed directorship with the Company mentioned above, Mr. Tung does not hold any other position in the Group and he did not hold any directorships in other listed public companies in the past three years. He does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company, nor does he have any interests in the Shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance.

If appointed, Mr. Tung will enter 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. Mr. Tung will be entitled to such amount of director’s fee and other remuneration as may be approved by the Shareholders at the general meeting.

Save as disclosed above, there are no other matters relating to the appointment 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 paragraph 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 Pheasant-Jasmine Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 16 May 2008 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 Auditor for the year ended 31 December 2007.
2. To declare a final dividend of 30 HK cents per share in respect of the year ended 31 December 2007.
3. (a) To re-elect Mr. Benedict CHANG Yew Teck as Director;  
(b) To re-elect Mr. Jeremy Paul Egerton HOBBS as Director; and  
(c) To re-elect Mr. LAU Butt Farn as Director.
4. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:  
  
“**THAT** Mr. Andrew TUNG Lieh Cheung be appointed as Director.”
5. To determine the Directors’ fees and to consider and, if thought fit, pass the following resolution as an ordinary resolution:  
  
“**THAT:**  
  
(a) the remuneration of each of the Directors (including the Non-executive Directors but other than the Chairman of the Board of Directors) and the Chairman of the Board of Directors shall be fixed at HK\$104,000 and HK\$156,000 respectively for the year ending 31 December 2008 and each subsequent financial year until the Company in general meeting otherwise determines; and

## NOTICE OF ANNUAL GENERAL MEETING

- (b) additional remuneration shall be payable to the Non-executive Directors who serve on the Board committees of the Company and such remuneration be fixed at the level as shown in the following table for the year ending 31 December 2008 and each subsequent financial year until the Company in general meeting otherwise determines:

	<i>HK\$</i>
<b>Audit Committee</b>	
Chairman	91,000
each Committee Member	52,000
 <b>Compensation Committee</b>	
Chairman	65,000
each Committee Member	39,000
 <b>Nomination Committee</b>	
Chairman	65,000
each Committee Member	39,000”

6. To re-appoint PricewaterhouseCoopers as Auditors and authorise the Board of Directors to fix their remuneration.
7. 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;
- (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); or (ii) the exercise of rights of subscription, exchange or conversion under the terms of any warrants or convertible securities issued by the Company or any securities which are exchangeable into Shares; or (iii) the exercise of options granted under any share option scheme adopted by the Company; or (iv) 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

## NOTICE OF ANNUAL GENERAL MEETING

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).”

8. 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;
- (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

## NOTICE OF ANNUAL GENERAL MEETING

(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.”

9. 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 7 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.”

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

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, any ordinary shares of the Company (“**Shares**”) to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the existing scheme mandate limit on the grant of options under the share option scheme adopted by the Company on 4 November 2004 (as amended from time to time) (the “**Scheme**”) be and is hereby refreshed and renewed to the extent and provided that the total number of Shares to be allotted and issued upon exercise of any options to be granted under the Scheme and any other share option scheme of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Scheme or such other share option schemes of the Company) shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution (the “**Refreshed Scheme Mandate Limit**”); and that the Directors be and are hereby authorized to grant options under the Scheme up to the Refreshed Scheme Mandate Limit and to exercise all powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such options.”

By Order of the Board  
**YUEN Ying Kwai**  
*Company Secretary*

Hong Kong, 23 April 2008

## NOTICE OF ANNUAL GENERAL MEETING

*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 notarially certified copy of that power of attorney or authority shall be deposited with the Company's Hong Kong branch share registrar, Tricor Abacus 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 is published on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.idsgroup.com](http://www.idsgroup.com).
- (3) The Register of Shareholders will be closed from 2 May 2008 to 7 May 2008, 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 registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 30 April 2008.
- (4) The chairman of the meeting will demand a poll on each of the questions submitted for determination at the 2008 Annual General Meeting.