

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**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.



## **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 2009 annual general meeting of Integrated Distribution Services Group Limited to be held at Peacock-Bamboo Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 19 May 2009 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 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.

15 April 2009

# CONTENT

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Chairman</b> .....	3
<b>Appendix I – Explanatory Statement</b> .....	7
<b>Appendix II – Details of Retiring Directors Proposed for Re-election</b> .....	10
<b>Notice of Annual General Meeting</b> .....	13

## DEFINITIONS

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

“2008 AGM”	the annual general meeting of the Company held on 16 May 2008
“2009 AGM”	the 2009 annual general meeting of the Company to be held at Peacock-Bamboo Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 19 May 2009 at 12:00 noon, notice of which is set out on page 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 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”	8 April 2009, 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 2009 AGM set out on pages 13 to 16 of this circular
“Share(s)”	share(s) of US\$0.10 each in the share capital of the Company
“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

## DEFINITIONS

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

## 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*)  
John Estmond STRICKLAND<sup>#</sup>  
Dr. FU Yu Ning<sup>#</sup>  
Prof. LEE Hau Leung<sup>#</sup>  
Andrew TUNG Lieh Cheung<sup>#</sup>  
Dr. William FUNG Kwok Lun  
Jeremy Paul Egerton HOBBS  
LAU Butt Farn  
Rajesh Vardichand RANAVAT

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

***Executive Directors:***

Benedict CHANG Yew Teck  
(*Group Managing Director*)  
Joseph Chua PHI (*President*)

***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

15 April 2009

*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 2009 AGM, and information regarding the resolutions to be proposed at the 2009 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 2008 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 2009 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 2009 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 2009 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 2008 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 2009 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 2009 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 2009 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 2009 AGM in relation to the Repurchase Mandate is set out in resolution 6 in the Notice.

## LETTER FROM THE CHAIRMAN

### **FINAL DIVIDEND**

The Board has recommended a final dividend of 22 HK cents per Share subject to Shareholders' approval at the 2009 AGM.

The Register of Shareholders will be closed from 12 May 2009 to 19 May 2009 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms 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 11 May 2009.

### **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, Dr. Victor FUNG Kwok King, Messrs. Rajesh Vardichand RANAVAT and John Estmond STRICKLAND and Prof. LEE Hau Leung will retire at the 2009 AGM by rotation. Mr. Ranavat has decided not to stand for re-election due to other commitments. There is no disagreement between Mr. Ranavat 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 2009 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.

### **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 2009 AGM. A member entitled to attend and vote at the 2009 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 2009 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 appointed for holding the 2009 AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the 2009 AGM should you so wish.

## LETTER FROM THE CHAIRMAN

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2009 AGM will demand a poll on each of the questions submitted for determination at the 2009 AGM. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk* and the Company at *www.idsgroup.com* following the 2009 AGM.

### RECOMMENDATION

The Directors believe that the proposals mentioned above, including, among others, the proposals for the grant of the Issue Mandate and 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 2009 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 317,640,000 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 2009 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 31,764,000 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 2008. 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>2008</b>		
April	22.00	19.10
May	20.40	19.16
June	18.90	15.20
July	15.38	10.02
August	13.00	11.20
September	11.20	9.51
October	10.80	5.60
November	7.00	6.00
December	9.08	6.50
<b>2009</b>		
January	9.50	8.40
February	8.90	8.01
March	9.10	8.64
April (Up to the Latest Practicable Date)	8.98	8.57

## 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 43.77% 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 2009 AGM, the interests of LF 1937 (direct and indirect) in the issued share capital of the Company will be increased to approximately 48.63% 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 Dr. Victor FUNG Kwok King, Mr John Estmond STRICKLAND and Prof. LEE Hau Leung, all of whom will retire at the 2009 AGM in accordance with Bye-law 87 of the Bye-laws and being eligible, offer themselves for re-election:

**Dr. Victor FUNG Kwok King**, aged 63, brother of Dr. William FUNG Kwok Lun, has been a non-executive director of the Company since October 2003. Dr. Fung is Group Chairman of Li & Fung (1937) Limited (a substantial shareholder of the Company) and publicly listed Li & Fung group companies including Li & Fung Limited, Convenience Retail Asia Limited and the Company. He is also a director of King Lun Holdings Limited and Li & Fung (Distribution) Limited (substantial shareholders of the Company). Dr. Fung holds Bachelor and Master Degrees in Electrical Engineering from the Massachusetts Institute of Technology, and a Doctorate in Business Economics from Harvard University. Dr. Fung is an independent non-executive director of BOC Hong Kong (Holdings) Limited and Orient Overseas (International) Limited in Hong Kong, Baosteel Group Corporation in the People's Republic of China and CapitaLand Limited in Singapore, and a non-executive director of Hup Soon Global Corporation Limited in Singapore. He was an independent non-executive director of PCCW Limited and Sun Hung Kai Properties Limited in Hong Kong. In public service, Dr. Fung is Chairman of the International Chamber of Commerce. He is a member of the Chinese People's Political Consultative Conference, and a member of the Executive Committee of the Commission on Strategic Development of the Hong Kong Government. Dr. Fung is also Chairman of the Hong Kong University Council, the Greater Pearl River Delta Business Council and the Hong Kong-Japan Business Co-operation Committee. From 1991 to 2000, Dr. Fung was Chairman of the Hong Kong Trade Development Council and from 1996 to 2003, he was the Hong Kong representative on the APEC Business Advisory Council. From 1999 to 2008, he was Chairman of the Hong Kong Airport Authority. In 2003, the Hong Kong Government awarded Dr. Fung the Gold Bauhinia Star for distinguished service to the community.

Save as disclosed above, Dr. Fung does not hold any other position with the Group nor any directorships in other listed public companies in Hong Kong or overseas in the last three years nor have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Fung's appointment as a director is for a 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 2008, he has received a director's fee of HK\$156,000 as the Chairman of the Board of Directors and HK\$65,000 as the Chairman of Compensation Committee. The basis of determining such fees is set out in the Corporate Governance Report of the Company's 2008 Annual Report.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Dr. Fung is deemed to have interests in 50% of issued share capital of King Lun Holdings Limited, one of the substantial shareholders of the Company. He is also deemed to have interests in 145,453,661 Shares of the Company. Dr. Fung has personal interest of 2,405,509 Shares of the Company. Details of his interests are provided in the section – "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Interests and Short Positions of Substantial Shareholders" under the "Report of the Directors" in the Company's 2008 Annual Report.

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.

**John Estmond STRICKLAND**, GBS JP, aged 69, 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, Hong Kong Internet Registration Corporation Limited and Hong Kong Domain Name Registration Company Limited, a director of Hong Kong Exchanges and Clearing Limited, Esquel Holdings Inc, Yoma Strategic Holdings Ltd and The Asia Society Hong Kong Centre Limited. 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.

Save as disclosed above, Mr. Strickland does not hold any other position with the Group nor any directorships in other listed public companies in Hong Kong or overseas in the last three years. He does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Strickland's appointment as a director is for a 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 2008, he has received a director's fee of HK\$104,000 as an Independent Non-executive Director and HK\$91,000 as the Chairman of Audit Committee. The basis of determining such fees is set out in the Corporate Governance Report of the Company's 2008 Annual Report.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Mr. Strickland is interested in 22,000 Shares of the Company. Details of his interests are provided in the section – "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" under the "Report of the Directors" in the Company's 2008 Annual Report.

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.

**Prof. LEE Hau Leung**, aged 56, 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 is an independent external director of Pericom Semiconductor Corporation, a public company on NASDAQ in the US, and Esquel Holdings Inc, a privately held company in Hong Kong. He also serves on the advisory board of three venture capital companies: Altos Ventures in the US, Focus Ventures in US and Asia, and Logispring in Europe.

Save as disclosed above, Prof. Lee does not hold any other position with the Group nor any directorships in other listed public companies in Hong Kong or overseas in the last three years. He does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company nor 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.

Prof. Lee's appointment as a director is for a 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 2008, he has received a director's fee of HK\$104,000 as an Independent Non-executive Director, HK\$19,464 as a member of Audit Committee, HK\$39,000 as a member of Compensation Committee and HK\$40,847 as the Chairman of the Nomination Committee. The basis of determining such fees is set out in the Corporate Governance Report of the Company's 2008 Annual Report.

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.

## NOTICE OF ANNUAL GENERAL MEETING



### 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 Peacock-Bamboo Room, 1st Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Tuesday, 19 May 2009 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 2008.
2. To declare a final dividend of 22 HK cents per share in respect of the year ended 31 December 2008.
3.
  - (a) To re-elect Dr. Victor FUNG Kwok King as Director;
  - (b) To re-elect Mr. John Estmond STRICKLAND as Director; and
  - (c) To re-elect Prof. LEE Hau Leung as Director.
4. To re-appoint PricewaterhouseCoopers as Auditor 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); or (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).”



## NOTICE OF ANNUAL GENERAL MEETING

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;
- (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, 15 April 2009

## 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, together with 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 appointed 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 12 May 2009 to 19 May 2009, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms 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 11 May 2009.
- (4) The chairman of the meeting will demand a poll on each of the questions submitted for determination at the 2009 Annual General Meeting.