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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



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 2010 annual general meeting of Integrated Distribution Services Group Limited to be held at East & West Room, 23rd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Thursday, 13 May 2010 at 12:00 noon is set out on pages 14 to 17 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.

13 April 2010

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DEFINITIONS

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

“2009 AGM”	the annual general meeting of the Company held on 19 May 2009
“2010 AGM”	the 2010 annual general meeting of the Company to be held at East & West Room, 23rd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Thursday, 13 May 2010 at 12:00 noon, notice of which is set out on page 14 to 17 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”	7 April 2010, 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 2010 AGM set out on pages 14 to 17 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[#]
Dr. FU Yu Ning[#]
Prof. LEE Hau Leung[#]
Andrew TUNG Lieh Cheung[#]
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
(*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

13 April 2010

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 2010 AGM, and information regarding the resolutions to be proposed at the 2010 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 2009 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 2010 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 2010 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 2010 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 2009 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 2010 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 2010 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 2010 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 2010 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 30 HK cents per Share subject to Shareholders' approval at the 2010 AGM.

The Register of Shareholders will be closed from 6 May 2010 to 13 May 2010 (both dates 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 5 May 2010.

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. William FUNG Kwok Lun, Messrs. Joseph Chua PHI and Jeremy Paul Egerton HOBBS and Dr. FU Yu Ning will retire at the 2010 AGM by rotation. All retiring Directors, being eligible, will offer themselves for re-election. The requisite details of the Directors proposed to be re-elected at the 2010 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 14 to 17 of this circular.

There is enclosed a form of proxy for use at the 2010 AGM. A member entitled to attend and vote at the 2010 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 2010 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 2010 AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the 2010 AGM should you so wish.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2010 AGM will demand a poll on each of the questions submitted for determination at the 2010 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 2010 AGM.

LETTER FROM THE CHAIRMAN

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 2010 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 321,868,500 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 2010 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 32,186,850 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 2009. 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 preceding the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2009		
April	9.50	8.55
May	11.98	9.12
June	11.80	9.80
July	12.30	9.88
August	12.00	10.02
September	12.00	10.82
October	11.00	9.90
November	13.00	10.60
December	12.10	10.62
2010		
January	13.06	11.00
February	14.60	11.56
March	14.50	12.10
April (<i>Up to and including the Latest Practicable Date</i>)	14.50	13.70

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 43.19% 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 2010 AGM, the interests of LF 1937 (direct and indirect) in the issued share capital of the Company will be increased to approximately 47.99% 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. William FUNG Kwok Lun and Messrs. Joseph Chua PHI and Jeremy Paul Egerton HOBBS and Dr. FU Yu Ning, all of whom will retire at the 2010 AGM in accordance with Bye-law 87 of the Bye-laws and being eligible, offer themselves for re-election:

Dr. William FUNG Kwok Lun SBS, OBE, JP, aged 61, brother of Dr. Victor FUNG Kwok King, has been a Non-executive Director of the Company since August 2004. Dr. Fung is Group Managing Director of Li & Fung Limited and a non-executive director of Convenience Retail Asia Limited and Trinity Limited (which was listed on the Stock Exchange on 3 November 2009). He is also a director of King Lun Holdings Limited, Li & Fung (1937) Limited and Li & Fung (Distribution) Limited (substantial shareholders of the Company). He has held key positions in major trade associations. He was past Chairman of the Hong Kong General Chamber of Commerce, the Hong Kong Exporters' Association and the Hong Kong Committee for the Pacific Economic Cooperation Committee. He has been awarded the Silver Bauhinia Star by the Hong Kong Special Administrative Region Government in 2008. He graduated from Princeton University with a Bachelor of Science degree in Engineering and holds a Master degree in Business Administration from the Harvard Graduate School of Business. He was conferred the degrees of Doctor of Business Administration, *honoris causa*, by the Hong Kong University of Science & Technology and by the Hong Kong Polytechnic University. Currently, Dr. Fung is a non-executive director of HSBC Holdings plc. He is an independent non-executive director of VTech Holdings Limited and Shui On Land Limited. He is also an independent non-executive director of Sun Hung Kai Properties Limited since February 2010 and an independent director of Singapore Airlines Limited since December 2009. He was an independent non-executive director of CLP Holdings Limited.

Save as disclosed above, Dr. Fung does not hold 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 2009, he has received a director's fee of HK\$104,000 as a Non-executive Director. The basis of determining such fee is set out in the "Corporate Governance Report" of the Company's 2009 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 139,032,371 Shares. 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 2009 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.

Mr. Joseph Chua PHI, aged 47, is the President of IDS Group. He joined IDS Logistics (Hong Kong) Limited in 1999 and has been an Executive Director of the Company since August 2004. Mr. Phi holds directorships in various subsidiaries of the Company. 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. Mr. Phi is the convener of the Li & Fung Group China Advisory Committee, which aims to coordinate the Group-wide China effort to produce the maximum impact and exposure for the Li & Fung Group. He is the Chairman of GS1 Hong Kong, an industry led organization promoting global standards and enabling technologies aimed at improving the core competences and competitiveness of the Hong Kong business community, and a Director of ECR Hong Kong, which aims to champion Supply Chain Management development in the consumer goods industry through the promotion of Efficient Consumer Response concept and adoption of related best practices. He is also a member of the Advisory Committee, Center for Marketing and Supply Chain Management at Hong Kong University of Science and Technology (HKUST). Mr. Phi is an Industrial Engineer.

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

Mr. Phi'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 2009, he has received a director's fee of HK\$104,000 as an Executive Director together with a basic salary of US\$345,986 for the financial year ended 31 December 2009 and bonus based on performance. The remuneration of Mr. Phi 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. Phi is interested in 1,583,632 Shares and 3,600,000 underlying Shares in respect of Share Options granted under the Share Option Scheme 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 2009 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.

Mr. Jeremy Paul Egerton HOBBS, aged 62, has been a Non-executive Director of the Company since October 2003. Mr. Hobbins is a director of various companies within the Li & Fung group of companies including Li & Fung (Distribution) Limited and Li & Fung (1937) Limited, both are substantial shareholders of the Company. He is also a non-executive director of Convenience Retail Asia Limited and a non-executive Deputy Chairman of Trinity Limited (which was listed on the Stock Exchange on 3 November 2009). Prior to joining the Li & Fung group of companies, 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.

Save as disclosed above, Mr. Hobbins does not hold 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.

Mr. Hobbins' 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 2009, he has received a director's fee of HK\$104,000 as a Non-Executive Director and HK\$39,000 as a Member of the Nomination Committee of the Company. The basis of determining such emoluments are set out in the "Corporate Governance Report" of the Company's 2009 Annual Report.

As at the Latest Practicable Date, Mr. Hobbins does not have any interests in the Shares which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance.

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.

Dr. FU Yu Ning, aged 53, 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. Dr. Fu is the Chairman of China Merchants Holdings (International) Company Limited, Non-Executive Director of China Merchants Bank Co., Ltd. and Independent Non-Executive Director of Sino Land Company Limited, all Hong Kong listed companies. And he is also the Non-Executive Independent Director of CapitaLand Limited, listed in Singapore.

Dr. Fu is also the Chairman of China International Marine Containers (Group) Limited and China Merchants Energy Shipping Co, Ltd., all listed in China. Dr. Fu is now Director and President of China Merchants Group Ltd., and also holds directorship in some public associations such as General Committee Member of the Hong Kong General Chamber of Commerce, Director of Hong Kong Port Development Council and Member of the Advisory Committee of the Securities and Futures Commission, Hong Kong SAR. He was the Chairman of China Merchants China Direct Investments Limited listed in Hong Kong and Shenzhen Chiwan Wharf Co., Ltd. listed in China.

Save as disclosed above, Dr. Fu does not hold any other position with the Company and other members of 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.

Dr. Fu'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 2009, he has received a director's fee of HK\$104,000 as an Independent Non-executive Director and HK\$91,000 as a member of Audit and Compensation Committees. The basis of determining such fees is set out in the "Corporate Governance Report" of the Company's 2009 Annual Report.

As at the latest Practicable Date, Dr. Fu does not have any interests in the Shares which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance.

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 East & West Room, 23rd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Thursday, 13 May 2010 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 2009.
2. To declare a final dividend of 30 HK cents per share in respect of the year ended 31 December 2009.
3.
 - (a) To re-elect Dr. William FUNG Kwok Lun as Director;
 - (b) To re-elect Mr. Joseph Chua PHI as Director;
 - (c) To re-elect Mr. Jeremy Paul Egerton HOBBS as Director; and
 - (d) To re-elect Dr. FU Yu Ning 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, 13 April 2010

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 any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such 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 and the Company at www.idsgroup.com.
- (3) The Register of Shareholders will be closed from 6 May 2010 to 13 May 2010, both dates 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 5 May 2010.
- (4) The chairman of the meeting will demand a poll on each of the questions submitted for determination at the 2010 Annual General Meeting.