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# I.T I.T LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

## **A SUB-LICENCE TO OPEN THE FIRST SAKS FIFTH AVENUE DEPARTMENT STORE IN THE PRC**

The Company has secured a Sub-Licence to open the first Saks Fifth Avenue department store in the PRC. The Sub-Licence enables the Company to break into the market of distributing well known and luxurious high end international labels in the PRC through the first Saks Fifth Avenue department store in the PRC to be opened and operated by a subsidiary of the Company. This announcement is made pursuant to Rule 13.09 of the Listing Rules to keep shareholders and investors informed on latest material developments of the Company's activities.

The Company is pleased to announce that on 18 April, 2006, GPL, a wholly owned subsidiary of the Company, has obtained the Sub-Licence from RSR, an affiliate of RCI, to open and operate the first Saks Fifth Avenue department store in the PRC.

RSR holds an exclusive Master Licence from Saks to open and operate Saks Fifth Avenue retail stores in the PRC, and it has, with the approval of Saks, appointed GPL, as its sub-licensee under the Sub-Licence for an initial term of 20 years commencing from the time when it has opened the first Saks Fifth Avenue department store in the PRC.

Saks operates retail stores that sell distinctive luxury fashion men's, women's and children's wearing apparel, shoes and accessories, cosmetics and perfume, jewelery, home furnishings, gift items and other merchandise under the "Saks Fifth Avenue" name and other brand names.

RSR is an affiliate of RCI. RCI is affiliated with the Roosevelt Trust and is the investment vehicle of the Roosevelt family established to make investments in the PRC.

Demand for luxurious products surges at a phenomenal speed in the PRC. The Company has been actively looking for opportunities to work with luxurious brands in the market and the Company considers that there is a strong demand for high end luxurious department stores in the PRC. Pursuant to the Sub-Licence, the Company will, through GPL, be able to break into the market of distributing well known and luxurious high end international labels in the PRC through the first Saks Fifth Avenue department store to be opened and operated by GPL in the PRC.

The obligations of GPL under the Sub-Licence and certain related agreements are guaranteed by the Company, and the obligations of RSR under the Sub-Licence are guaranteed by RCI.

The Sub-Licence is non-exclusive. However, in the event RSR intends or desires to open an additional Saks Fifth Avenue retail store in the PRC, it shall, subject to the terms of the Sub-Licence, first make an offer to GPL setting forth the proposed terms for the opening and operation of such a store.

A site located in the Bund of Shanghai, PRC, has been identified for potential use as the first Saks Fifth Avenue department store in the PRC. Negotiations are ongoing between RCI and the relevant landlord(s) to secure a lease with respect to the proposed site. The Sub-Licence provides that if RSR and GPL are not able to agree on the proposed site for the retail location or the terms of the Lease in respect thereof within 6 months from the date of the Sub-Licence, that is to say, on or before 18 October, 2006, either party may, at any time prior to entry into a mutually approved Lease in respect of the site, terminate the Sub-Licence with no further obligations between them and Saks may also in any event revoke its approval of the site for the proposed retail location. The location of the site and the terms of the Lease shall also be subject to final and prior approval by Saks.

If GPL and RSR reach agreement on the location of the site for the first Saks Fifth Avenue department store in the PRC and the terms of the Lease in respect thereof with the approval of Saks, pursuant to the Sub-Licence and related agreements, GPL has to make various further payments to RCI on or after the signing of the Lease in addition to rentals and other amounts that GPL may have to pay under the Lease. The Company currently expects that the payments and other arrangements involved upon the signing of the Lease will constitute a notifiable transaction on the part of the Company. In that event, appropriate disclosures will be made and all other steps required will be undertaken by the Company in accordance with the applicable requirements of the Listing Rules.

This announcement is made pursuant to Rule 13.09 of the Listing Rules to keep shareholders and investors informed on latest material developments of the Company's activities. Further announcements will be made as appropriate in compliance with the Listing Rules.

In this announcement, the expressions below bear the following meanings:

“GPL”	Glamour Profits Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands, with its address at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands;
“Lease”	the lease arrangements to be concluded between GPL and the relevant landlord(s) of the site in respect of the first Saks Fifth Avenue department store to be opened in the PRC by GPL pursuant to the terms of the Sub-Licence;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Master Licence”	the Consulting and Licence Agreement made between Saks and RSR dated 18 April, 2006;
“PRC”	the People's Republic of China, and for this purpose, excluding the Hong Kong Special Administrative Region but including the Macau Special Administrative Region;
“RCI”	Roosevelt China Investments Corp., a company incorporated in the British Virgin Islands which is affiliated with the Roosevelt Trust and is the investment vehicle of the Roosevelt family established to make investments in the PRC;
“RSR”	Roosevelt Sino Retailers LLC, a limited liability company organised under the laws of the State of Delaware and an affiliate of RCI;
“Saks”	Saks & Company, a corporation organised under the laws of the State of New York; and
“Sub-Licence”	the Consulting and Sub-licence Agreement made between RSR and GPL on 18 April, 2006.

By Order of the Board  
**Chan Wai Mo, Alva**  
*Company Secretary*

Hong Kong, 18 April, 2006

*As at the date of this announcement, the Board comprises Mr. Sham Kar Wai, Mr. Sham Kin Wai and Mr. Chan Wai Mo, Alva being the Executive Directors and Dr. Yeung Chun Kam, Charles S.B.S., J.P. being the Non-executive Director and Mr. Chan Mo Po, Paul, Dr. Lo Wing Yan, William J.P. and Mr. Wong Wai Ming being the Independent Non-executive Directors.*

“Please also refer to the published version of this announcement in South China Morning Post.”