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I.T I.T LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 999)

TERMINATION OF THE SUB-LICENSE TO OPEN AND OPERATE THE FIRST SAKS FIFTH AVENUE DEPARTMENT STORE IN THE PRC

After various rounds of faithful and detailed discussions, RSR and the Company could not reach an agreement on the Lease of the possible Saks Fifth Avenue Department store in PRC. RSR and the Company have agreed to terminate the Sub-License with immediate effect. 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.

Reference is made to the Company's announcement dated 18 April 2006, and terms used in this announcement shall bear the same meanings as defined therein unless the context requires otherwise.

Although RSR and GPL (now renamed as I.T Fifth Avenue Limited) had various rounds of discussions during the past months, the parties could not reach an agreement to renew the Sub-Licensee Agreement. In this respect, both RSR and GPL have agreed to terminate the Sub-Licensee Agreement with immediate effect. The parties shall have no further obligations against each other. Up to the date of this announcement, approximately HK\$5 million legal fees and other related and miscellaneous expenses were incurred on this project and will likely be expensed in the financial year ended 28 February 2007.

The Company believes that there is a strong demand for high end luxurious products in the PRC and in fact, has planned to launch a number of high fashion brands in the coming months. We would keep on exploring opportunities to work with other luxurious brands and business partners to tap this rapidly growing market.

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By Order of the Board
Lo Wing Yan, William
Vice Chairman

Hong Kong, 1 March 2007

As at the date of this announcement, the Board comprises Mr. Sham Kar Wai, Dr. Lo Wing Yan, William, J.P., Mr. Sham Kin Wai and Mr. Chan Wai Mo, Alva being the Executive Directors and Mr. Chan Mo Po, Paul, Mr. Wong Wai Ming and Mr. Francis Goutenmacher being the Independent Non-executive Directors.

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