



*(incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

**MEMORANDUM OF UNDERSTANDING  
TO FORM A JOINT VENTURE WITH GALERIES LAFAYETTE  
TO OPEN DEPARTMENT STORES IN THE PRC**

The Board is pleased to announce that the Company has entered into a memorandum of understanding (“MOU”) with Galeries Lafayette to form a joint venture to open department stores in the PRC.

The Board is pleased to announce that on 1 December 2007, the Company entered into a non-binding MOU with Galeries Lafayette to form a joint venture (in which the Company will have a majority control) with a view to the setting up, management and operation of department stores under the name of “Galeries Lafayette” in the PRC.

As a commitment to the cooperation, both parties agree and undertake not to enter into any agreement or arrangement, or participate or be involved in any discussions, negotiations or understandings with any third party in respect of setting up, management and/or operation of department stores (whether under the name of “Galeries Lafayette” or not) or the license of “Galeries Lafayette” trademark for use in the PRC for a period of nine months from the date of the MOU, save for the projects currently in discussion by Galeries Lafayette, namely:

- a. Shanghai,
- b. duty free shops, and
- c. retail locations at domestic airports.

Pursuant to the MOU, both parties shall use their best endeavours to identify an appropriate location (likely in Beijing municipality or Macau) for the set up of the first department store and to negotiate in good faith with the landlord on the terms and conditions of the lease. Once the principal terms of the lease are agreed with the landlord, the Company and Galeries Lafayette shall make their best efforts to negotiate a joint venture agreement and a trademark license agreement to be entered into by Galeries Lafayette and the joint venture for the use of the name “Galeries Lafayette” for the first department store. After opening the first department store, the parties would consider to extend their cooperation to open further department stores across the PRC. The trademark license agreement will then be extended to each other department store mutually agreed by the parties.

Galeries Lafayette is, inter alia, a leading department store operator in France and established in Germany with more than a century of history. At present, it runs 64 department stores (eight affiliated included) and manages a total surface area of nearly 500,000 square meters. The chain, which has about 12,000 employees, reported total retail sales including VAT of €2.4 billion in 2006. An average of one million people visits its department stores every day.

The Company is confident that it can ride on its expertise in fashion retailing and the strong brand name and rich experience of Galeries Lafayette to successfully diversify into department store business in the PRC.

If any formal agreement is signed, the transactions contemplated thereunder may or may not constitute notifiable transactions. Further announcement will be made as and when required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Definitions:**

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

- “Board” board of director of the Company
- “Company” I.T Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited.
- “Galeries Lafayette” Societe Anonyme des Galeries Lafayette, a company incorporated in France with limited liability and the operating holding company of Galeries Lafayette department stores in France with full title to the Galeries Lafayette trademark
- “MOU” the memorandum of understanding dated 1 December 2007 entered into between the Company and Galeries Lafayette in relation to the formation of a joint venture
- “PRC” the People’s Republic of China (excluding Hong Kong Special Administrative Region and Taiwan, but including Macau Special Administrative Region), with the exclusion of Shanghai, retail locations at domestic airports and duty free shops across the People’s Republic of China.

By order of the Board  
**I.T Limited**  
**Lo Wing Yan, William**  
*Vice Chairman and Managing Director*

Hong Kong, 3 December 2007

*As at the date of this announcement, the Board comprises Mr. SHAM Kar Wai, Dr. LO Wing Yan, William, J.P. and Mr. SHAM Kin Wai as Executive Directors and Mr. WONG Wai Ming, Mr. Francis GOUTENMACHER and Mr. WONG Tin Yau, Kelvin as Independent Non-executive Directors.*