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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in I.T Limited, you should at once hand this circular together with the enclosed election form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 999)**

**SCRIP DIVIDEND SCHEME IN RELATION TO  
THE INTERIM DIVIDEND FOR THE  
SIX MONTHS ENDED 31 AUGUST 2010**

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## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	I.T Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“First Scheme ”	the share option scheme adopted by the Company on 3 February 2005 and operation of which was terminated on 30 June 2008;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Interim Dividend”	the interim dividend of the Company of HK4.2 cents per Share for the six months ended 31 August 2010 to be paid to the Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Scheme”	the share option scheme adopted by the Company on 30 June 2008;
“Options”	the right to subscribe for Shares under the First Scheme or the New Scheme;
“Record Date”	18 November 2010;
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Scrip Dividend Scheme”	a scrip dividend arrangement that allows Shareholders to elect to receive their Interim Dividend in cash, or wholly or partly in the form of Scrip Shares;

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## DEFINITIONS

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“Scrip Share(s)”	fully paid new Shares to be issued pursuant to the Scrip Dividend Scheme in lieu of cash dividend for Interim Dividend, which will rank pari passu in all respect with the existing issued Shares, including entitlements to all future dividends save and except the Interim Dividend;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s) of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

**TIMETABLE OF EVENTS**

<b>Events</b>	<b>Date</b>
Record Date .....	Thursday, 18 November 2010
Last date and time for receipt of election forms by the Registrar .....	4:30 p.m. on Thursday, 9 December 2010
Dividend warrants and certificates for Scrip Shares mailed .....	on or around Wednesday, 22 December 2010
Expected first day of dealings in Scrip Shares on Stock Exchange.....	Thursday, 23 December 2010
Expected payment date for Interim Dividend in cash (for collection) .....	Thursday, 23 December 2010

# I.T I.T LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

*Executive Directors:*

Sham Kar Wai  
Sham Kin Wai

*Independent Non-executive Directors:*

Wong Wai Ming  
Francis Goutenmacher  
Wong Tin Yau, Kelvin

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*

31/F., Tower A  
Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Hong Kong

26 November 2010

*To the Shareholders*

Dear Sir or Madam,

## **SCRIP DIVIDEND SCHEME IN RELATION TO THE INTERIM DIVIDEND**

### **INTRODUCTION**

On 28 October 2010, the Board announced the Company's unaudited interim results for the six months ended 31 August 2010 and declared the payment of the Interim Dividend. The Interim Dividend is payable in cash with a scrip dividend alternative to the Shareholders whose names appeared on the register of members of the Company on the Record Date.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

## **PARTICULARS OF THE SCRIP DIVIDEND SCHEME**

Under the Scrip Dividend Scheme, the Shareholders have the following choices in respect of the Interim Dividend:

- (a) cash of HK4.2 cents for each Share as the Interim Dividend held on the Record Date; or
- (b) an allotment of Scrip Shares (the number of which is determined by methods set out hereunder), save for the adjustment of fractional entitlements, equal to the total amount of the Interim Dividend which such Shareholders would otherwise receive in cash; or
- (c) partly in cash and partly in form of Scrip Shares.

For the purpose of calculating the number of Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value per Scrip Share is HK\$6.88, which is the average closing price of the Share as quoted on the Stock Exchange for the five consecutive trading days ending on (and including) the Record Date (the “Market Value per Scrip Share”).

Accordingly, the number of the Scrip Shares which the Shareholders will receive in respect of the existing Shares registered in their names on the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of the} \\ \text{Scrip Shares to be} \\ \text{received} \end{array} = \begin{array}{l} \text{Number of Shares held on the} \\ \text{Record Date for which election} \\ \text{for Scrip Shares is made} \end{array} \times \frac{\text{HK4.2 cents (Interim Dividend)}}{\text{HK\$6.88 (Market Value per Scrip Share)}}$$

The last day and time on which the Shareholders will be entitled to elect their desired form of the Interim Dividend is by 4:30 p.m. on Thursday, 9 December 2010. The number of the Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares will not be issued to the Shareholders. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

The Scrip Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Interim Dividend.

## **CONDITION OF THE SCRIP DIVIDEND SCHEME**

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares. The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares. In the unlikely event that the above condition is not satisfied, Shareholders will receive the Interim dividend wholly in cash.

## **EFFECT OF THE SCRIP DIVIDEND SCHEME**

Based on 1,195,795,179 Shares in issue as at the close of business on the Record Date, if no elections for the Scrip Shares were received, the total cash dividend payable by the Company in respect of the Interim Dividend would be approximately HK\$50.22 million. If all Shareholders elect to receive their entitlement to the Interim Dividend in the form of Scrip Shares, the number of Scrip Shares to be issued would be 7,299,912 Shares, representing approximately 0.610% of the existing issued share capital of the Company and approximately 0.607% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

The Shareholders should note that the Scrip Shares to be allotted under the Scrip Dividend Scheme may give rise to disclosure requirements under the provisions of Divisions 2 and 3 of Part XV of the SFO. If the Shareholders are in any doubt as to how these provisions may affect them as a result of the Scrip Shares, they are recommended to seek their own professional advice.

## **ELECTION FORM**

No action is required if you wish to receive the Interim Dividend to which you are entitled wholly in cash.

If you elect to receive the Interim Dividend either wholly or partly in Scrip Shares, you must complete and sign the election form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, **Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 9 December 2010**. No acknowledgement of receipt of the election form will be issued.

If you sign the election form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares or, if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares of which you were then registered as the holder.

## **SHAREHOLDERS RESIDING OUTSIDE HONG KONG**

No person receiving this circular and/or election form in any jurisdiction outside Hong Kong may treat it as an offer to elect to receive Scrip Shares unless in the relevant jurisdictions such offer could lawfully be made to him/her without the Company being required to comply with any government or regulatory procedures or any other similar formalities. According to the information in the register of members of the Company as at the Record Date, the Company is not aware that it has any Shareholder with a registered address outside Hong Kong. If any Shareholder residing outside Hong Kong is in any doubt as to what to do, he/she is recommended to seek his/her own professional advice.

## **LISTING AND DEALINGS**

Application has been made to the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares.

It is expected that the dividend warrants for cash entitlement in relation to the Interim Dividend and/or share certificates for Scrip Shares will be despatched at the risk of those entitled thereto to their respective registered addresses on or around Wednesday, 22 December 2010. Subject to the granting of approval for listing of, and permission to deal in, the Scrip Shares, the dealings in the Scrip Shares on the Stock Exchange are expected to commence on Thursday, 23 December 2010.

The Shares are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

## **ADJUSTMENTS IN RELATION TO OUTSTANDING OPTIONS**

In accordance with the terms of the First Scheme and the New Scheme, the Scrip Shares to be allotted may result in an alteration to the exercise price and the number of Option so far as unexercised in respect of Options granted by the Company. Such alterations shall give the Option holder the same proportion of issued share capital of the Company as to which that such Option holder would otherwise be entitled, provided that no such alterations shall be made where the effect of which would be to enable a Share to be issued at less than its nominal value. If and when any alterations have to be made, the Company will notify the Option holders in accordance with the First Scheme and the New Scheme.

## **RECOMMENDATION**

Whether or not it is to your advantage to receive cash or Scrip Shares, in whole or in part, depends upon your own individual circumstances and the decision in this regard, and all effects resulting from that decision are your responsibility.

If you are in any doubt as to what to do, you should consult your professional advisers. Shareholders who are trustees are recommended to take professional advice as to whether a decision to receive Scrip Shares is within their powers and as to the effect of such decision having regard to the terms of the trust instrument.

Yours faithfully,  
For and on behalf of  
**I.T LIMITED**  
**SHAM KAR WAI**  
*Chairman*