

**[For Immediate Release]**



## **I.T Limited Announces 2005 Annual Results**

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Successful sales strategy and expanded brand portfolio  
drove turnover up 28.2%

### **Financial Highlights**

	<b>Year ended 28 February 2005</b>	<b>Year ended 29 February 2004</b>	<b>Change (%)</b>
	<b>HK\$'000</b>		
Turnover	<b>1,041,017</b>	812,168	+28.2
Profit attributable to shareholders	<b>112,733</b>	105,590	+6.8
Profit attributable to shareholders (excluding non-recurring items)	<b>112,733</b>	83,279	+35.3
Earnings per share (HK cents)			
- Basic	<b>16.02</b>	15.71	+2.0
- Diluted	<b>15.18</b>	14.69	+3.3
Proposed final dividend per share (HK cents)	<b>4.3</b>	N/A	N/A

(1 June 2005 - Hong Kong) I.T Limited ("I.T" or the "Group"; stock code: 999), a well-established trend setter in Hong Kong's fashion retail industry, is pleased to announce today its annual results for the year ended 28 February 2005.

During the period under review, the Group achieved a record-high turnover of HK\$1,041 million, representing an increase of 28.2% as compared with FY2004. The Board proposed a final dividend of HK4.3 cents per share, representing a dividend payout ratio of approximately 40%.

Commenting on the Group's annual results, I.T's Chairman and CEO Mr. Sham Kar Wai said, "Our 2005 annual results were very encouraging. During last year, I.T continued to expand on its solid foundation which we have built over the years. We opened more shops and introduced more brands. We are also making progress in the PRC. There is however one thing that will never change – our passion for fashion."

The outstanding financial performance was mainly attributable to the continued revival of Hong Kong's economy and the Group's successful sales and branding strategies. During the period under review, the Group opened 40 stores, representing 79,000 sq.ft. of retail space (four stores included) in Hong Kong and 86 stores, representing 90,000 sq.ft. of retail space in the PRC and Taiwan. As at 28 February 2005, the Group had a total of 129 stores (including 5 stores owned by a jointly controlled entity formed with French Connection UK) in Hong Kong, 93 stores in the PRC and 12 stores in Taiwan through G.S-i.t (a joint venture with Glorious Sun of which the Group has 50% interest) and 4 stores in Malaysia (through a franchisee).

The Group's mega store model, which infuses the process of grouping several brands in one location, has proved successful in pilot points e.g. Langham Place in Mongkok, Cleveland Street in Causeway Bay and apm shopping mall in Kwun Tong.

During the period under review, the Group's sales from international brands, in-house brands and licensed brands were HK\$436 million and HK\$562 million, accounting for 41.8% and 54.0% of the Group's total turnover respectively.

The Group continued to expand its brand portfolio and successfully introduced new brands including Alexander McQueen, Anna Sui, Balenciaga, Beams Boy, Cacharel, D&G, Earth Music & Ecology and Jil Sander. The Group currently carries over 200 international brands and 10 in-house and licensed brands.

In FY05, the Group continued to develop its network in the PRC and Taiwan through G.S-i.t. The Group expects the turnover contribution from these markets to increase in line with its stronger presence in these areas.

I.T completed its listing on the Main Board of The Stock Exchange of Hong Kong on 4 March 2005, raising net proceeds of HK\$456 million which substantially strengthened the Group's financial capability.

The Group expects its turnover and net profit would reach another new height in FY2006.

The Group believes that the overall retail environment in Hong Kong continues to improve. The Group expects that the grand opening of Hong Kong Disney in September 2005 would attract more tourists and further stimulate the Hong Kong economy.

The mega stores and multi-brand stores store concept enables the Group to 'cluster' the stores to form an attractive shopping environment. This cluster effect allows the Group to better position its network in controlling rental costs. As a result, the Group is able to maintain our rental costs at approximately 20% of turnover.

The performance of G.S-i.t in the PRC is promising. The Group's i.t flagship store in Beijing was opened in Oriental Plaza in December 2004 occupying 21,000 sq. ft.. The Group expects to apply the same concept in Shanghai and other major cities in the PRC. The Group expects a new mega store to be opened in Shanghai Plaza 66 in early June, occupying 23,000 sq. ft..

Mr. Sham said, "We will further strengthen our position as a trend setter in Hong Kong and increasingly in other areas of Greater China through network expansion. We will continue to focus on brand image and fashion element to realise our mission – shaping the fashion scene in Greater China."

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## **About I.T Limited**

I.T Limited is a well-established trend setter in the fashion apparel retail market in Hong Kong. Through its “multi-brand, multi-layer” business model, I.T offers a range of apparel products from hundreds of international brands, as well as in-house brands and licensed brands at varying price ranges, targeting different customer segments.

For further information, please contact:

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