

[For Immediate Release]



I.T Limited Announces Interim Results 2009/10

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Financial Highlights

	For the six months ended 31 August		
(HK\$' million)	2009	2008	Change (%)
Revenue	1,241.6	1,180.2	+5.2
Gross profit	729.9	717.5	+1.7
Net profit	44.8	15.0	+198.7
Basic EPS (HK cents)	3.9	1.3	+200.0

(4 November 2009 - Hong Kong) I.T Limited ("I.T" or the "Group"; stock code: 999), a well-established trendsetter in fashion retail market in the Greater China, is pleased to announce the unaudited consolidated interim results of the Group for the six months ended 31 August 2009.

During the period under review, the total revenue of the Group increased by 5.2% to HK\$1,241.6 million (1H FY2009: HK\$1,180.2 million). Before the season began, the Group had anticipated a difficult operating environment and had adjusted its pricing and merchandizing strategy. Despite so, gross profit margin decreased by 2.0% from 60.8% in 1H FY2009 to 58.8% in 1H FY2010, and gross profit increased by 1.7% to HK\$729.9 million (1H FY2009: HK\$717.5 million).

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Since the beginning of the financial crisis, the Group had taken proactive measures to control costs. Such measures were effective in bringing down some of the operating expenses. Total staff cost (excluding share option expenses) decreased by HK\$6.2 million to HK\$218.7 million (1H FY2009: HK\$224.9 million). Advertising budget was tightened and was reverted back to the historical level of about 1.1% of the total revenue (1H FY2009: 2.4%) and this gave rise to a reduction of advertising and promotion expenses by 50.8% to HK\$14.1 million (1H FY2009: HK\$28.6million). Since the Group did not grant any new options in this first half, and most of the outstanding share option value had been expensed last year, the share option expenses came down, from HK\$15.2 million in 1H FY2009 to HK\$3.4 million in 1H FY2010. In addition, the Group received a one-off sponsorship of HK\$13.2 million from a business partner which was fully booked as other gains. Net profit increased by 198.7% to HK\$44.8 million (1H FY2009: HK\$15.0 million).

Commenting on the Group's annual results, I.T's Chairman and CEO Mr. Sham Kar Wai said, "The global economic downturn has different degrees of impact on the markets where we operate. We recorded a slight drop in the revenue generated from Hong Kong when the unemployment rate kept rising. Mainland China was less affected and we managed to record satisfactory growth in this market. Excluding the effect of the one-off and non-operational gains and losses, overall profit of the Group increased by about 19%."

Sales from Hong Kong retail operation decreased by 2.0% to HK\$869.3 million (1H FY2009: HK\$886.7 million) at an overall negative comparable store sales growth rate of 2.1%. According to the statistics released by the Hong Kong Government, in terms of value, the wearing apparel market recorded a drop of 6.8% during the same 6-month period. The Group managed to outperform the market in terms of sales performance. Sales from Mainland China retail operation increased by 26.6% to HK\$297.7 million (1H FY2009: HK\$235.1 million) at an overall comparable store sales growth rate of 16.4%. The Group believes the performance is satisfactory taking into account the fact that the market sentiment was still clouded by the financial crisis.

Outside Greater China, the Group achieved a breakthrough in Europe recently. Galeries Lafayette has opened four stores for the Group's best selling in-house brand <http://www.izzue.com> in France. Galeries Lafayette is also planning to open one more store for the Group in Berlin early next year. Being the first time to tap into Europe, the Group hoped that this would lead to the opening of a new market.

Looking ahead, Mr. Sham said, "The future would hinge on the recovery of the general economy. We see that the Hong Kong market is stabilizing in the past few months, while Mainland China has been growing, albeit at varying growth rates in different months. Based on data generated from our internal POS system, in September and October, we recorded a single digit increase in the total retail sales in Hong Kong and a double digit increase in the total retail sales in Mainland China.

We have slowed down expansion in Hong Kong since the financial crisis. Given the latest trend, we start to feel less worried and may expand again if we can find good locations at reasonable terms. In Mainland China, we have not ceased our expansion even in the midst of the financial crisis. In the first half, we have added a little over 14,000 square foot of retail space in Mainland China. To fully exploit the market timely and to leverage our operating efficiency, it is pertinent that we expand faster in Mainland China, in key cities as well as in the second tier cities, in shopping malls and through department stores. However, the management would be cautious not to achieve this goal at the expense of a weakened balance sheet. We would continue to monitor our cash flow closely to ensure a healthy financial position."

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About I.T Limited

I.T Limited is a well-established trend setter in the fashion retail market in the Greater China. Through its "multi-brand, multi-layer" business model, I.T offers a range of apparel and accessory 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:

iPR Ogilvy Ltd.

Philip Lo/ Juliana Li/ Crystal Chan

Tel: (852) 3170 6754 / 2169 0467/ 2169 0049

Fax: (852) 3170 6606

E-mail: philip.lo@iprogilvy.com / juliana.li@iprogilvy.com/
crystal.chan@iprogilvy.com