



PRESS RELEASE

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Memorandum of Understanding Formation of a Joint Venture to Open Department Stores in the PRC

Galeries Lafayette and I.T entered into a non-binding Memorandum of Understanding for the development of department stores under the Galeries Lafayette name in the PRC.

By signing this MOU, the parties entered into a 9 months exclusivity period during which the parties will identify an appropriate location for the development of the first department store (which is likely to be located in Beijing or Macau). Once this project is launched, the parties shall enter into a JV agreement. The JV, of which I.T will have a majority shareholding, shall set-up, manage and operate the first and, possibly, other department stores in the PRC.

Philippe Houzé, President of the Management Board of Galeries Lafayette group, declares: "I am convinced that adding our different know-how in retailing will be a success in establishing a new type of department store in the PRC."

Dr. William Lo, I.T's Vice Chairman and Managing Director, commented, "Galeries Lafayette has a long history in operating high end department stores and is a leading operator in France and established in Germany. They are an ideal partner of I.T to diversify its business from fashion retail to department store - a different but closely related platform. The joint venture would also help I.T to accelerate its expansion pace in China on top of our target of tripling our retail footage in China over the next three years. But we will continue to look for new opportunities to grow our business and to return value to our shareholders and stakeholders."

About Galeries Lafayette:

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 (8 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.

About I.T Limited:

I.T Limited is a well-established trend setter in fashion retail market in Greater China. 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.

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