I.T Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 999)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

- **Total revenue of the Group increased by 20.0% to HK$808.0 million.**
- **Comparable store sales for Hong Kong market increased by 16.7%.**
- **Gross profit of the Group increased by 21.5% to HK$467.1 million at a slightly improved margin of 57.8%.**
- **Total revenue from the Greater China market (excluding Hong Kong) operated by a 50:50 joint venture increased by 55.3% to HK$194.7 million.**
- **Comparable store sales for the Greater China market (excluding Hong Kong) operated by a 50:50 joint venture increased by 36.8%.**
- **Net profit increased by 41.4% to HK$44.1 million.**
- **An interim dividend of HK2.1 cents per share was declared.**

The board of directors of I.T Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 August 2007, prepared on the basis set out in Note 1, together with the comparative figures for the corresponding period, as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Six months ended 31 August	
		2007	2006
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	2	**807,970**	673,304
Cost of sales	4	**(340,833)**	(288,908)
Gross profit		**467,137**	384,396
Other gains, net	3	**1,369**	933
Operating expenses	4	**(424,393)**	(347,837)
Operating profit		**44,113**	37,492
Finance income, net	5	**9,983**	8,102
Share of loss of jointly controlled entities		**(925)**	(8,289)
Profit before income tax		**53,171**	37,305
Income tax expense	6	**(9,058)**	(6,102)
Profit for the period, attributable to equity holders of the Company		**44,113**	31,203
Dividends	7	**21,834**	–
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in HK$ per share)			
– basic	8	**0.042**	0.030
– diluted	8	**0.042**	0.030

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at 31 August 2007 (Unaudited) *HK$'000*	As at 28 February 2007 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Furniture and equipment		**94,399**	93,191
Intangible assets		**11,143**	14,819
Investments in and amounts due from jointly controlled entities		**81,799**	83,233
Rental deposits		**42,137**	56,352
Deferred income tax assets		**10,333**	5,761
Other assets		**4,330**	2,330
		244,141	255,686
Current assets			
Inventories		**226,770**	196,299
Trade receivables	*9*	**9,833**	9,252
Amount due from a jointly controlled entity		**96,594**	82,437
Prepayments, deposits and other receivables		**103,598**	82,010
Derivative financial instruments		**1,355**	1,883
Pledged bank deposits		**750**	750
Cash and cash equivalents		**333,626**	364,820
		772,526	737,451
LIABILITIES			
Current liabilities			
Trade and bills payables	*10*	**(86,941)**	(66,805)
Accruals and other payables		**(74,423)**	(71,648)
Borrowings		**(3,102)**	–
Derivative financial instruments		**–**	(424)
Current income tax liabilities		**(27,944)**	(19,423)
		(192,410)	(158,300)
Net current assets		**580,116**	579,151
Total assets less current liabilities		**824,257**	834,837
Non-current liabilities			
Other payables		**(3,063)**	(7,585)
Deferred income tax liabilities		**(328)**	(499)
		(3,391)	(8,084)
Net assets		**820,866**	826,753
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**103,970**	103,950
Reserves		**716,896**	722,803
Total equity		**820,866**	826,753

NOTES

1 Basis of preparation and accounting policies

This condensed consolidated financial information for the six months ended 31 August 2007 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") No. 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

This interim condensed financial report should be read in conjunction with the Group's annual financial statements for the year ended 28 February 2007.

The accounting policies are consistent with those as described in the Group's annual financial statements for the year ended 28 February 2007, except that the Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") which are effective from accounting periods beginning on or after 1 March 2007 and relevant to its operations.

HKAS 1 Amendment	Capital Disclosures
HKFRS7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 Group and Treasury Share Transfer

The adoption of the above new standard, amendment and interpretations has no material impact on the condensed consolidated interim financial information of the Group.

The following new standards and interpretations have been issued by HKICPA but are not effective for financial year ending 29 February 2008 and have not been early adopted:

HKFRS 8	Operating Segments
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
HKAS 23 (Revised)	Borrowing Costs

2 Segment information

(a) Analysis of revenue by category

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Sales of fashion wears and accessories	**804,504**	671,386
Royalty income	**3,466**	1,918
	807,970	673,304

(b) Segment information

No segment analysis for business segment is presented as the Group principally operated in one business segment, which was the sales of fashion wears and accessories.

No segment analysis for geographical segment is presented as substantially all of the Group's sales, operating results, assets (excluding investments in and amounts due from jointly controlled entities) and liabilities were located in Hong Kong. The Group's operation in Mainland China are mainly carried out through its jointly controlled entities.

3 Other gains, net

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Derivative financial instruments: forward currency contracts, transactions not qualifying as hedge and ineffective portion of changes in fair values	**1,369**	933

4 Expenses by nature

Expenses included in cost of sales and operating expenses are analysed as follows:

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Charging/(Crediting)		
Cost of inventories sold	**337,740**	292,675
Write-downs of inventories to net realisable value	**5,859**	1
Employment costs, including directors' emoluments	**154,222**	124,096
Operating lease rentals of premises		
– minimum lease payments	**150,597**	122,815
– contingent rents	**5,166**	4,511
Advertising and promotion costs	**10,222**	9,139
Depreciation of furniture and equipment	**26,502**	23,171
Licence fee		
– amortisation of licence right	**3,917**	4,864
– contingent licence fee	**2,064**	1,842
Net exchange gains	**(2,766)**	(3,768)
Loss/(gain) on disposal of furniture and equipment	**1,873**	(119)
Other expenses	**69,830**	57,518
Total cost of sales and operating expenses	**765,226**	636,745

5 Finance income, net

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Interest income from		
– bank deposits	**5,032**	5,488
– amounts due from jointly controlled entities	**2,241**	1,299
– others	**2,788**	1,642
Finance income	**10,061**	8,429
Interest expense on		
– bank borrowings wholly repayable within five years	**(8)**	(1)
– licence fee payable	**(70)**	(326)
Finance costs	**(78)**	(327)
Net finance income	**9,983**	8,102

6 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (six months ended 31 August 2006: 17.5%) on the estimated assessable profits of the Group's operations in Hong Kong for the period.

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Current income tax – Hong Kong profits tax	**13,801**	9,654
Deferred income tax	**(4,743)**	(3,552)
	9,058	6,102

7 Dividend

	Six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Interim, declared of HK$0.021 (six months ended 31 August 2006: Nil) per ordinary share	**21,834**	–

8 Earnings per share

Basic

The calculation of basic earnings per share for the year is based on the consolidated profit attributable to equity holders of the Company and on the weighted average number of ordinary shares in issue during the period.

	Six months ended 31 August	
	2007	2006
Profit attributable to equity holders of the Company *(HK$'000)*	**44,113**	31,203
Weighted average number of ordinary shares in issue *('000)*	**1,039,641**	1,038,900
Basic earnings per share *(HK$ per share)*	**0.042**	0.030

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Shares issuable under the share option schemes are the only dilutive potential ordinary shares. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average daily quoted market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 31 August	
	2007	2006
Profit attributable to equity holders of the Company *(HK$'000)*	**44,113**	31,203
Weighted average number of ordinary shares in issue *('000)*	**1,039,641**	1,038,900
Adjustments for		
– share options *('000)*	**3,291**	5,403
Weighted average number of ordinary shares for diluted earnings per share *('000)*	**1,042,932**	1,044,303
Diluted earnings per share *(HK$ per share)*	**0.042**	0.030

9 Trade receivables

The Group's sales are mainly settled by cash or credit/debit cards. The Group grants to a limited number of corporate customers credit periods generally ranging from 30 to 60 days. As at 31 August 2007, all trade receivables are aged between 0 and 90 days (28 February 2007: between 0 and 90 days).

10 Trade and bills payables

The aging analysis of trade and bills payables is as follows:

	As at 31 August 2007 HK$'000	As at 28 February 2007 HK$'000
0 to 30 days	**79,532**	53,516
31 to 60 days	**4,522**	8,662
61 to 90 days	**1,296**	3,086
91 to 180 days	**598**	1,240
181 to 365 days	**986**	256
Over 365 days	**7**	45
	86,941	66,805

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.1 cents (six months ended 31 August 2006: Nil) per share for the six months ended 31 August 2007, amounting to approximately HK$21,834,000. The interim dividend will be payable to the shareholders on or around 21 November 2007 to those shareholders whose names appear on the register of members of the Company on 15 November 2007.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

(a) Hong Kong

Total revenue increased by 20.0% to HK$808.0 million (six months ended 31 August 2006: HK$673.3 million) and sales from retail operation increased by 20.5% to HK$755.3 million (six months ended 31 August 2006: HK$626.9 million) for the six months ended 31 August 2007. Overall comparable store sales increased by an impressive 16.7% as compared to the six months ended 31 August 2006. As at 31 August 2007, the Company had 150 stores (excluding French Connection stores operated by FCUK IT Company, our 50% owned joint venture) (31 August 2006: 153). The weighted average of the sales footage remained stable at 290,791 sq. ft. for the six months ended 31 August 2007 (the six months ended 31 August 2006: 291,156 sq. ft).

Retail sales of international product brands increased by 4.8% to HK$360.3 million (six months ended 31 August 2006: HK$343.7 million), accounting for 44.6% of total revenue. Due to the launch of :Chocoolate and Venilla suite and impressive performance of b+ab and 5cm, retail sales of in-house product brands increased significantly by 50.9% to HK$320.9 million (six months ended 31 August 2006: HK$212.6 million), accounting for 39.7% of total revenue. Retail sales of licensed product brands increased by 3.5% to HK$73.2 million (six months ended 31 August 2006: HK$70.7 million), accounting for 9.1% of total revenue.

As at 31 August 2007, FCUK IT Company had 6 stores (31 August 2006: 5), with a total sales area of 11,878 sq. ft. (31 August 2006: 11,563 sq. ft.). After incubating the French Connection brand in Hong Kong for more than 4 years, the brand is gaining more and more awareness among the customers and this joint venture reported a jump of 42.9% in revenue, from HK$31.9 million for the six months ended 31 August 2006 to HK$45.6 million for the six months ended 31 August 2007 and enjoyed a comparable store sales increase of 24.4%.

(b) Greater China (excluding Hong Kong)

G.S-i.t Limited ("GSIT"), our 50% owned joint venture with Glorious Sun Enterprises Limited for the Greater China market (covering China, Taiwan and Macau), reported an increase of 55.3% in revenue, from HK$125.6 million for the six months ended 31 August 2006 to HK$194.7 million for the six months ended 31 August 2007. Comparable stores sales for the six months ended 31 August 2007 maintained a high growth rate of 36.8% (six months ended 31 August 2006: 25.2%).

In order to consolidate the aggressive expansion over the last few years, GSIT slowed down the opening of new stores in the first half this year. The total number of self-managed stores (excluding French Connection stores operated by FCIT China Limited, a 50% owned joint venture of GSIT) increased from 82 as at 31 August 2006 to 93 as at 31 August 2007. Total sales area of our self-managed stores was 173,900 sq. ft. as at 31 August 2007 (31 August 2006: 158,500 sq. ft.).

Franchise business had a moderate growth last year. Numbers of franchised stores increased to 54 (including 3 in Macau and excluding French Connection stores) as at 31 August 2007 from 38 as at 31 August 2006 and 45 as at 28 February 2007, with a total sales area of 51,900 sq. ft. (31 August 2006: 33,800 sq. ft.).

As part of our restructuring of our Taiwan operation, GSIT's 51% owned joint venture in Taiwan reduced its self-managed points of sale from 26 as at 31 August 2006 to 19 as at 31 August 2007. Further streamlining is expected given the continued uncertainty in the market.

GSIT's 50% owned joint venture with French Connection Group Plc followed a similar expansion pace as GSIT as a whole. Numbers of self-managed stores increased from 10 as at 31 August 2006 (with a total sales area of 16,500 sq. ft.) to 13 as at 31 August 2007 (with a total sales area of 19,100 sq. ft.). Numbers of franchised stores increased to 9 (31 August 2006: 4) and their total sales area was 12,000 sq. ft. (31 August 2006: 5,700 sq. ft.) as at 31 August 2007. Revenue of this joint venture increased by 84.3%, from HK$10.2 million for the six months ended 31 August 2006 to HK$18.8 million for the six months ended 31 August 2007 and reported a comparable store sales increase of 33.7%.

(c) Overseas

As at 31 August 2007, the Group had 13 franchised stores outside Greater China, 5 stores in Saudi Arabia and 8 stores in Thailand. This represents an increase of 5 stores over 8 stores as at 31 August 2006. Our existing franchisees are performing very well, and the Group plans to introduce :Chocoolate and Venilla suite brands to overseas markets next year. Other countries in the franchised business pipeline include Canada, Singapore, Indonesia and the Philippines.

Gross Profit
Gross profit increased by 21.5% to HK$467.1 million for the six months ended 31 August 2007 (six months ended 31 August 2006: HK$384.4 million). Gross profit margin on retail sales increased slightly to 60.8% for the six months ended 31 August 2007 (six months ended 31 August 2006: 60.3%). The improvement was mainly due to the reversal of the retail sales of in-house brands (which have a comparatively higher margin) against international brands and the tightening of our discount policy to strengthen our brand equity.

Operating Expenses
Total operating expenses increased by 22.0% to HK$424.4 million for the six months ended 31 August 2007 (six months ended 31 August 2006: HK$347.8 million), representing 52.5% (six months ended 31 August 2006: 51.7%) of total revenue.

Despite the continuing market pressure, the Group managed to maintain the percentage of total rental expenses (including management fee, rates and government rent) to total revenue for the six months ended 31 August 2007 at 22.5% (six months ended 31 August 2006: 22.7%). Total rental expenses increased by 19.1% and was slightly lower than the growth rate of total revenue.

The next key expenses item is staff cost which has increased by 24.3% during the period. Due to the launch of 2 new in-house brands late last year (with a majority of the full year's contribution to be reflected in the second half), staff cost as a percentage of total revenue increased to 19.1% (six months ended 31 August 2006: 18.4%). This increase in staff expenses contributes most of the increases in the total operating expenses as a percentage of total revenue in the current first half.

Advertising and promotion expenses increased only mildly at 11.9% during the six months ended 31 August 2007 representing 1.3% of total revenue (six months ended 31 August 2006: 1.4%). We expect to invest more in advertising and promotion in the second half of the year to further enhance overall corporate image and product branding.

During the six months ended 31 August 2007, other miscellaneous operating expenses (total operating expenses other than rental expenses, staff cost, advertising and promotion expenses and depreciation) increased by 33.3%, and as a percentage of total revenue, increased to 6.4% (six months ended 31 August 2006: 5.8%).

Operating Profit and Earnings Before Interest, Taxation, Depreciation and Amortisation Expenses and Excluding the Share of Results of Jointly Controlled Entities (EBITDA)
EBITDA increased by 14.3% from HK$74.0 million for the six months ended 31 August 2006 to HK$84.6 million for the six months ended 31 August 2007 at an operating margin of 10.5%.

Share of Results of Jointly Controlled Entities
Due to the encouraging performance of FCUK IT Company, share of profit of this joint venture during the six months ended 31 August 2007 increased significantly. Given the continued strong growth momentum, GSIT is close to reach the critical mass and to achieve breakeven, and therefore share of loss of this joint venture during the six months ended 31 August 2007 decreased substantially. Taken together, share of loss of jointly controlled entities decreased substantially from HK$8.3 million for the six months ended 31 August 2006 to HK$0.9 million for the six months ended 31 August 2007.

Net Profit
With the strong double digit growth in top-line revenue in Hong Kong, continuous improvement in gross profit margin and significantly improved performance of the jointly controlled entities, net profit for the six months ended 31 August 2007 increased by 41.4% to HK$44.1 million (six months ended 31 August 2006: HK$31.2 million).

Cash Flows
Net cash generated from operating activities was HK$19.9 million for the six months ended 31 August 2007 (six months ended 31 August 2006: HK$33.2 million). Net cash used in investing activities was HK$2.6 million for the six months ended 31 August 2007 (six months ended 31 August 2006: HK$87.2 million), which included HK$29.6 million additions to furniture and equipment. Net cash used in financing activities was HK$48.5 million for the six months ended 31 August 2007 (six months ended 31 August 2006: HK$49.0 million), which included HK$52.0 million dividend payment to shareholders.

Inventory
Inventory turnover days for the six months ended 31 August 2007 was 114.2 days (six months ended 31 August 2006: 104.5 days).

Liquidity and Capital Resources
As at 31 August 2007, total cash and bank balances amounted to HK$333.6 million (28 February 2007: HK$364.8 million) and total liabilities was HK$195.8 million (28 February 2007: HK$166.4 million). Shareholders' equity was HK$820.9 million (28 February 2007: HK$826.8 million).

As at 31 August 2007, the Group had aggregate banking facilities of approximately HK$344.7 million (28 February 2007: HK$339.5 million) for overdrafts, bank loans and trade financing, of which approximately HK$243.4 million (28 February 2007: HK$254.4 million) was unutilised.

As at 31 August 2007, charges on assets amounted to HK$0.75 million (28 February 2007: HK$0.75 million), which was bank deposit pledged for letters of guarantees issued by banks in lieu of rental deposits. The Group had bank borrowings of HK$3.1 million as at 31 August 2007 (28 February 2007: Nil). The current ratio as at 31 August 2007 was 4.0 (28 February 2007: 4.7). The Group's gearing ratio, resulting from a comparison of the total borrowings with total equity was 0.4% at 31 August 2007 (28 February 2007: Nil).

Contingent Liabilities
As at 31 August 2007, letters of guarantees issued by banks in lieu of rental deposits amounted to HK$17.6 million (28 February 2007: HK$19.5 million).

Use of Proceeds
The proceeds from the issuance of new shares by the Company in March 2005, net of listing expenses, were approximately HK$514.9 million. Up to 31 August 2007, net proceeds were utilised in the following manners:

	Per prospectus *HK$'000*	Amount utilised *HK$'000*	Balance as at 31 August 2007 *HK$'000*
Expansion of retail network in Hong Kong	320,000	160,786	159,214
Expansion of retail network in the Greater China	90,000	35,336	54,664
Repayment of bank loans	95,000	95,000	–
Working capital	9,900	9,900	–
	514,900	301,022	213,878

The unutilised balance was placed as short-term bank deposits in commercial banks in Hong Kong.

Employment, Training and Development
The Company had a total of 1,432 employees as at 31 August 2007 (28 February 2007: 1,428). Training and development courses were regularly organised for employees to enhance both of their specialised technical and product knowledge as well as marketing and sales to general business management skills. The Company offered competitive remuneration packages to its employees, including basic salaries, allowances, insurance and commission/bonuses. In addition, share options were granted to selected employees based on their individual performances.

Future Outlook
The Company has recently announced that it has entered into an agreement with Glorious Sun Enterprises Limited to buy back the remaining 50% interest in GSIT not owned by the Group. Completion is expected by the end of November. This is a very important strategic move and signal a new era of the development of the Group. Following completion, GSIT (proposed to be renamed to I.T China Limited) would become a wholly-owned subsidiary of the Company whom will have full control of the strategy and development of the China markets including Macau and Taiwan. The Company will also be able to consolidate the China business, the fastest growing retail and consumer market in the world.

Expansion plan for China would be much accelerated. The Group will expand aggressively outside the existing core cities of Shanghai and Beijing to the growing affluent second tier cities like Nanjing, Hangzhou and Guangzhou. Points of sales will be added at department stores across China so as to improve efficiency and scale. The Company's target is to triple our retail footage in China over the next 3 years. Given that the loss from the China business has narrowed substantially during the six months ended 31 August 2007, the Company still strives to achieve the breakeven target for GSIT for the full year. With the rapid growth of the China economy and the Group's business in China, the Company is confident that China will contribute significantly to the revenue and net profit of the Group by the end of the 3-year plan.

Although the key driver for the medium and long term would be the China market, the Hong Kong market will continue to maintain a healthy growth and provide stable revenue and cash flow to the Group. The performance of the Hong Kong business is very encouraging in the first half of this year. We will strive to keep the growth momentum through revamping of existing stores and introduction of new international brands to Hong Kong. In fact, a new face has already been introduced to some of our stores, for example, the newly renovated i.t shop at Times Square, and they are well received. Our forthcoming strategy would be opening bigger stores to replace existing smaller ones so as to leverage the scale and improving sales per square feet as well as providing a more spacious and comfortable shopping environment to attract new customers through a new store format. The mega store of b+ab at Festival Walk is an example.

The new brands (:Chocoolate and Venilla suite) launched late last year are also doing very well and contributed approximately 6.1% of the total retail sales. They will be introduced to overseas markets next year.

The Group has continued to focus on improving its operational leverage processes. We believe that after the contribution of the 2 new brands is reflected in the full year results, key operating expenses such as staff cost will come down as a percentage of total revenue. Special task forces such as one working on improving the design cycle time and the sourcing process has been set up to further explore other cost benefits opportunities. The Board believes that with the new potential in the China market are now under our belt and the robust growth in Hong Kong, the Company is in a good position to expand in both scale and profitability over the next few years. The board is pleased to announce that the Company will pay an interim dividend of HK2.1 cents per share for the first time to our shareholders for their continued support.

CLOSURE OF REGISTER OF MEMBERS
The register of members of the Group will be closed from Monday, 12 November 2007 to Thursday, 15 November 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Group's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 9 November 2007.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE

In the opinion of the Board, the Company has complied with the code provisions in Code of Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 31 August 2007 except for the deviations as mentioned below.

Mr. Chan Mo Po, Paul did not offer himself for re-election at the Company's 2007 annual general meeting, the Board had only two Independent Non-executive Directors from 23 July to 31 July 2007. On 1 August 2007, Mr. Wong Tin Yau, Kelvin was appointed as Independent Non-executive Director of the Company in compliance with Rules 3.10 and 3.11 of the Listing Rules.

The Company is fully aware that in order to reinforce the Directors' respective independence, accountability and responsibility, the role of the Chairman should be separated from that of the Chief Executive Officer. However, Mr. Sham Kar Wai currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would allow the Company to be more effective and efficient in developing long term business strategies and execution of business plans.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by the Directors. Upon enquiry by the Company, all Directors have confirmed that, for the six months ended 31 August 2007, they have complied with the required standard set out in the Model Code regarding securities transactions by the Directors.

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters including the review of the unaudited financial information and interim report for the six months ended 31 August 2007.

The interim financial report for the six months ended 31 August 2007 has also been reviewed by PricewaterhouseCoopers, the Company's independent auditor, whose review report will be included in the interim report to be sent to shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 31 August 2007.

By Order of the Board
Sham Kar Wai
Chairman

Hong Kong, 29 October 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.

"Please also refer to the published version of this announcement in South China Morning Post."