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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 form of proxy, 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**I.T LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

**PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND  
TO ISSUE NEW SHARES OF THE COMPANY  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF THE OPERATION  
OF THE EXISTING SHARE OPTION SCHEME**

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A notice convening an annual general meeting of I.T Limited to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong on Monday, 30 June 2008 at 3:00 p.m. is set out on pages 26 to 29 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

If you do not propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

6 June 2008

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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:*

“2008 Annual General Meeting”	the annual general meeting of the Company to be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong on Monday, 30 June 2008 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 26 to 29 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Bye-laws”	the bye-laws of the Company;
“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;
“Connected Person”	shall have the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant”	any persons who may be invited by the Directors to take up share options as detailed in the New Scheme;
“Employee”	means any employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time);
“Exercise Period”	in respect of any particular Option, the period to be notified by the Board to each Grantee which the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the commencement date;
“Existing Scheme”	the existing share option scheme of the Company adopted on 3 February 2005;
“Grantee”	any Eligible Participant who accepts the offer in accordance with the terms of the New Scheme, and where the context permits, any person who is entitled to any such option in consequence of the death of the original Grantee (being an individual);

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## DEFINITIONS

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“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	3 June 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Scheme”	the share option scheme proposed to be adopted at the 2008 Annual General Meeting, the principal terms of which are set out in Appendix III to this circular;
“Notice”	the notice of the 2008 Annual General Meeting set out on pages 26 to 29 of this circular;
“Registrar”	Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;
“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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong

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## LETTER FROM THE BOARD

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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

*Executive Directors:*

Sham Kar Wai  
Lo Wing Yan, William, J.P.  
Sham Kin Wai

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-executive Directors:*

Wong Wai Ming  
Francis Goutenmacher  
Wong Tin Yau, Kelvin

*Principal Place of Business:*

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

6 June 2008

*To the shareholders and,  
For information only, holders of options under the Existing Scheme*

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF DIRECTORS  
PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND  
TO ISSUE NEW SHARES OF THE COMPANY  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF THE OPERATION  
OF THE EXISTING SHARE OPTION SCHEME**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2008 Annual General Meeting for (i) the re-election of Directors retiring at the 2008 Annual General Meeting; (ii) the granting of the Buyback Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate; (v) the adoption of New Scheme; and (vi) the termination of the operation of the Existing Scheme.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 86(2) of the Bye-laws, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Pursuant to Bye-law 87 of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election or appointment but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Bye-law 86(2) of the Bye-laws, Dr Wong Tin Yau, Kelvin was appointed as Independent Non-executive Director on 1 August 2007 and he will retire and, being eligible, offer himself for re-election at the 2008 Annual General Meeting.

Pursuant to Bye-law 87 of the Bye-laws, Mr Sham Kin Wai will retire by rotation at the 2008 Annual General Meeting and being eligible, will offer himself for re-election at the 2008 Annual General Meeting.

Brief biographical details of the retiring Directors are set out in Appendix I of this circular.

### 3. BUYBACK AND ISSUANCE MANDATES

Ordinary resolutions will be proposed at the 2008 Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the "Buyback Mandate");
- (b) to allot, issue and deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Issuance Mandate"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

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## LETTER FROM THE BOARD

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The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2008 Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 5 and 6 set out in the Notice. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix II to this circular.

#### **4. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF THE OPERATION OF THE EXISTING SHARE OPTION SCHEME**

The Existing Scheme was adopted by the Company on 3 February 2005 and will expire on 2 February 2015. As the New Scheme is more flexible and efficient to administer, the Directors propose to recommend to Shareholders at the 2008 Annual General Meeting to approve the adoption of the New Scheme and simultaneously terminate the operation of the Existing Scheme in accordance with the terms thereof. As at the Latest Practicable Date, the Company has not adopted any share option scheme other than the Existing Scheme.

It is proposed that subject to the approval of the Shareholders of the adoption of the New Scheme and the termination of the Existing Scheme at the 2008 Annual General Meeting, the operation of the Existing Scheme shall be terminated with effect from the conclusion of the 2008 Annual General Meeting (such that no further options could thereafter be offered under the Existing Scheme but in all other respects the provisions of the Existing Scheme shall remain in full force and effect). Options granted during the life of the Existing Scheme and remain unexpired prior to the termination of the Existing Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the Existing Scheme. The New Scheme shall take effect, subject to the Stock Exchange granting the necessary approvals for the listing of and dealing in the Shares to be issued and allotted pursuant to the exercise of options in accordance with the terms and conditions of the New Scheme, on the date of its adoption at the 2008 Annual General Meeting. Operation of the New Scheme will commence after all conditions precedent have been fulfilled.

The purpose of adopting the New Scheme is to enable the Group to be more flexible in granting options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group. The Board considers that it is in line with market practice that appropriate Eligible Participants, as determined by the Board from time to time on the basis of their contribution or potential contribution to the development and growth of the Group, should be given incentives in the form of options to subscribe for Shares.

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## LETTER FROM THE BOARD

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The terms of the New Scheme provide that in granting options under the New Scheme, the Board can determine whether there is any minimum holding period, and whether there is any performance target which must be achieved, before an option granted under the New Scheme can be exercised. The Board will also determine the option price per Share payable on the exercise of an option according to the terms of the New Scheme.

A summary of the principal terms of the proposed New Scheme is set out in Appendix III to this circular.

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the New Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise price, Exercise Period, any lock-up period, any performance targets set and other relevant variables.

Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Scheme, the total number of Shares which may be issued upon exercise of all options which may be granted under the New Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue at the date of approval of the New Scheme.

As at the Latest Practicable Date, 80,050,000 options have been granted under the Existing Scheme since its date of adoption, of which 7,510,000 options have been exercised, 5,250,000 options have lapsed and none have been cancelled. An aggregate of 67,290,000 Shares remain issuable upon the exercise in full of all outstanding options under the Existing Scheme which are yet to be exercised upon vesting and 25,200,000 options remain unissued under the Existing Scheme. Save as aforesaid and up to the Latest Practicable Date, no other options have been granted under the Existing Scheme or any other schemes. The Directors confirm that between the date of this circular and the 2008 Annual General Meeting, they will not grant any further options under the Existing Scheme.

Assuming no Shares will be issued or repurchased from the Latest Practicable Date to the date of the 2008 Annual General Meeting on which the New Scheme is expected to be adopted by the Shareholders, the total number of the Shares in issue as at the date of the 2008 Annual General Meeting will be 1,155,037,473. Subject to the New Scheme becoming effective, the Company may grant options under the New Scheme and any other share option schemes of the Company in respect of which up to 115,503,747 Shares may be issued.



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## LETTER FROM THE BOARD

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The New Scheme will become effective for the 10-year period ending at the close of business on the day immediately preceding the tenth anniversary of the date of the 2008 Annual General Meeting subject to:

- (i) the passing by the Shareholders of an ordinary resolution at the 2008 Annual General Meeting to approve the adoption of the New Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, up to 115,503,747 Shares (subject to adjustment as is permissible under the rules of the New Scheme), representing 10% of the Shares in issue as at the date of the 2008 Annual General Meeting (assuming no Shares will be issued or repurchased by the Company from the Latest Practicable Date to such date), which may be issued pursuant to the exercise of options granted under the New Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of and permission to deal in the Shares up to 115,503,747 Shares (subject to adjustment as is permissible under the rules of the New Scheme), representing 10% of the Shares in issue as at the date of the 2008 Annual General Meeting (assuming no Shares will be issued or repurchased by the Company from the Latest Practicable Date to such date) which may be issued pursuant to the exercise of options granted under the New Scheme and any other share option schemes of the Company. As at the Latest Practicable Date, no option has been agreed to be granted under the New Scheme.

A copy of the proposed New Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at 31/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong during normal business hours on any business day (except public holidays) till up to and including 30 June 2008 and will also be available for inspection at the 2008 Annual General Meeting.

### **5. 2008 ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The Notice is set out on pages 26 to 29 of this circular. At the 2008 Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of Directors, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate, the adoption of the New Scheme and the termination of the operation of the Existing Scheme.

A form of proxy for use at the 2008 Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Company ([www.ithk.com](http://www.ithk.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Registrar, not less than 48 hours before the time appointed for holding the 2008 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2008 Annual General Meeting if you so wish.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate, the adoption of the New Scheme and the termination of the operation of the Existing Scheme are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the 2008 Annual General Meeting.

### 7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

### 8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Details of Directors proposed to be re-elected at the 2008 Annual General Meeting), Appendix II (Explanatory statement on the Buyback Mandate), Appendix III (Summary of the Principal Terms of the Rules of the New Scheme) and Appendix IV (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Bye-laws) to this circular.

Yours faithfully,  
For and on behalf of  
**I.T LIMITED**  
**LO Wing Yan, William**  
*Vice Chairman*

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**APPENDIX I            DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT  
THE 2008 ANNUAL GENERAL MEETING**

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*Pursuant to the Listing Rules, the details of the Directors who will retire at the 2008 Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the 2008 Annual General Meeting are provided below.*

**(1) DR WONG TIN YAU, KELVIN, AGED 47, AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

**Experience**

Dr Wong Tin Yau, Kelvin, aged 47, is an Independent Non-executive Director of the Company since 1 August 2007. Dr Wong is an executive director and deputy managing director of COSCO Pacific Limited, a company listed on the Hong Kong Stock Exchange. He is also the chairman of the Corporate Governance Committee and member of the executive committee of the company. He is responsible for the overall management, strategic planning, financial management and investor relations of COSCO Pacific Limited. Dr Wong is a deputy chairman, chairman of the Corporate Governance Committee and fellow member of The Hong Kong Institute of Directors, chairman and council member of The Hong Kong Chinese Orchestra Limited, a member of the China Trade Advisory Committee of the Hong Kong Trade Development Council, a member of the Auditing and Assurance Standards Committee of the Hong Kong Institute of Certified Public Accountants, a member of the OECD/World Bank Asian Corporate Governance Roundtable, a member of Main Board and GEM Listing Committee of The Stock Exchange of Hong Kong Limited and a member of the Board of Review (Inland Revenue Ordinance). He obtained his Master of Business Administration Degree from Andrews University in Michigan, the USA in 1992 and his Doctor of Business of Administration from The Hong Kong Polytechnic University in 2007. He is an associate member of the Chartered Institute of Bankers, a member of the Hong Kong Securities Institute, a member of the Chartered Institute of Marketing and a member of the National Investor Relations Institute in the USA. He has more than 23 years of working experience in management, banking and securities industries. Currently, Dr Wong is an independent non-executive director and chairman of the audit committee of China Metal International Holdings Inc., and independent non-executive director and chairman of the audit committee of Tradelink Electronic Commerce Limited, and an independent non-executive director of CIG Yangtze Ports PLC, all of these companies are listed on the Hong Kong Stock Exchange. Dr Wong held various senior positions in several listed companies in Hong Kong before he joined COSCO Pacific Limited in July 1996.

**Length of service and emoluments**

Dr Wong served as the Independent Non-executive Director of the Company commencing 1 August 2007 for an initial term of one year. Dr Wong is entitled to an annual director's fee of HK\$180,000.00 which was determined by the Board with reference to Dr Wong's experience and fees paid to independent non-executive directors by other listed public companies of similar market capital. Dr Wong will also be entitled to all reasonable out-of-pocket expenses. No services contract was entered into with Dr Wong.

**Relationships**

Other than the relationship arising from his being an Independent Non-executive Director, Dr Wong does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Dr Wong was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

**Matters that need to be brought to the attention of the shareholders**

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Dr Wong that need to be brought to the attention of the Shareholders.

**(2) MR SHAM KIN WAI, AGED 38, AN EXECUTIVE DIRECTOR**

**Experience**

Mr Sham Kin Wai, aged 38, is an Executive Director. Since founding the Group with his brother, Mr Sham Kar Wai, in November 1988, his principal focus has been on merchandising and product design for the Company. As the Chief Creative Officer of the Company, Mr Sham Kin Wai has 20 years of experience in the fashion retail industry and is responsible for the creative and aesthetic aspects of the Group's business. He has also been instrumental in creating the interior design concepts for the stores. Save as disclosed herein, Mr Sham did not hold other directorship in any other listed public companies in the past three years and does not have other major appointments and qualifications.

**Length of service and emoluments**

The Company entered into a service agreement with Mr Sham with effect from 19 October 2007 for a term of three years (subject to renewal). Under the service agreement, Mr Sham is now entitled to a monthly remuneration plus housing allowance of a total of HK\$350,000, a discretionary bonus equivalent to one month of his remuneration plus housing allowance on or around each Chinese New Year and an annual bonus in respect of each complete financial year of the Group during the term of his service agreement. Mr Sham is also entitled to participate at the discretion of the Independent Non-executive Directors in the Company's share option scheme on such terms as may be determined by the Independent Non-executive Directors from time to time and to all reasonable out-of-pocket expenses. His remuneration package are determined by the Board with reference to his experience, performance and duties.

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**APPENDIX I      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT  
THE 2008 ANNUAL GENERAL MEETING**

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**Relationships**

Other than being the brother of Mr Sham Kar Wai, Chairman, Chief Executive Officer and Executive Director of the Company and the relationship arising from his being an Executive Director, Mr Sham Kin Wai does not have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Mr Sham was interested in 672,075,000 Shares pursuant to Part XV of the SFO.

**Matters that need to be brought to the attention of the shareholders**

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr Sham that need to be brought to the attention of the Shareholders of the Company.

*The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2008 Annual General Meeting in relation to the granting of the Buyback Mandate.*

### **1. REASONS FOR SHARE BUYBACK**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchase of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,155,037,473 Shares.

Subject to the passing of the ordinary resolution no. 5 set out in the Notice in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the 2008 Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase a maximum of 115,503,747 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association, the Bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its memorandum of association and the Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

#### **4.     IMPACT OF REPURCHASES**

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 29 February 2008) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **5.     TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Mr Sham Kar Wai and Mr Sham Kin Wai, Directors, together with parties acting in concert with them were beneficially interested in 672,075,000 Shares, representing approximately 58.19% of the total issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the 2008 Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the 2008 Annual General Meeting, the interests of Mr Sham Kar Wai and Mr Sham Kin Wai together with parties acting in concert with them in the issued Shares would be increased to approximately 64.65% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate.

#### **6.     GENERAL**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

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**APPENDIX II            EXPLANATORY STATEMENT ON THE BUYBACK MANDATE**

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The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Bermuda.

**7.     MARKET PRICES OF SHARES**

The highest and lowest market prices per Share at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:-

<b>Month</b>	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2007</b>		
June	1.89	1.40
July	2.02	1.57
August	2.00	1.34
September	2.10	1.56
October	2.25	1.78
November	2.85	2.20
December	3.18	2.50
<b>2008</b>		
January	2.93	2.00
February	2.55	2.11
March	2.38	1.80
April	2.35	2.12
May	2.96	2.25
June (up to Latest Practicable Date)	2.44	2.34

**8.     REPURCHASE OF SHARES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company during the previous six months immediately preceding the issue of this circular (whether on the Stock Exchange or otherwise).



*The following is a summary of the principal terms of the rules of the New Scheme proposed to be adopted at the Special General Meeting.*

### **1. PURPOSE OF THE NEW SCHEME**

The purpose of the New Scheme is to enable the Board to grant options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

### **2. WHO MAY JOIN AND BASIS OF ELIGIBILITY**

The Board may, at its discretion and on such terms as it may think fit, grant options to any Eligible Participant to subscribe at a price calculated in accordance with paragraph 3 below for such number of Shares as it may determine in accordance with the terms of the New Scheme. An “Eligible Participant” as determined by the Board may include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (“Affiliate”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, partner, adviser of or contractor to the Group or an Affiliate.

The basis of eligibility of any of the Eligible Participant to the grant of options shall be determined by the Board from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

### **3. EXERCISE PRICE FOR SUBSCRIPTION OF SHARES**

The exercise price per Share payable on the exercise of an option is to be determined by the Board provided always that it shall be at least the higher of:

- (i) the closing price of the Shares as stated the Stock Exchange’s daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of a Shares as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a Share on the date of grant,

and as subsequently adjusted pursuant to the terms of the New Scheme, if relevant.

#### 4. CONDITIONS OF GRANT

Subject to the provisions of the New Scheme, the Listing Rules and applicable laws, the Board may, on a case-by-case basis and at its discretion when offering the grant of an option, impose any conditions, restrictions or limitations in relation thereto additional to those expressly set forth in the New Scheme as it may think fit (which shall be stated in the document granting the offer) including (without prejudice to the generality of the foregoing):

- (i) the continuing eligibility of the Grantee under the New Scheme, and in particular, where the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the option (to the extent that it has not already been exercised) shall lapse;
- (ii) the continuing compliance of such terms and conditions that may be attached to the grant of the option, failing which the option (to the extent that it has not already been exercised) shall lapse unless otherwise resolved to the contrary by the Board;
- (iii) in the event that the Eligible Participant is a corporation (wherever incorporated or unincorporated), that any change of the management and/or shareholding of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Scheme;
- (iv) in the event that the Eligible Participant is a trust, that any change of the beneficiary of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Scheme;
- (v) in the event that the Eligible Participant is a discretionary trust, that any change of the discretionary objects of the Eligible Participant shall constitute a failure to meet the continuing eligibility criteria under the New Scheme;
- (vi) conditions, restrictions or limitations relating to the achievement of operating or financial targets; and
- (vii) if applicable, the satisfactory performance of certain obligations by the Grantee.

#### 5. ACCEPTANCE OF OFFERS

An offer for the grant of options must be accepted within 3 business days from the date of offer except for any offer which is made within the last 3 business days of the life of the New Scheme, the offer shall remain open for acceptance on a business day by the Eligible Participant concerned for a period of not longer than the remaining life of the New Scheme. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$10.00.

**6. MAXIMUM NUMBER OF SHARES**

- (i) Subject to sub-paragraphs (ii), (iii) and (iv) below, the maximum number of Shares in respect of which options may be granted under the New Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Scheme by the Shareholders (the "Scheme Mandate Limit") unless approved by the Shareholders pursuant to sub-paragraph (iii) below. Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) Subject to sub-paragraphs (iii) and (iv) below, the Scheme Mandate may be refreshed by the Shareholders in general meeting from time to time provided that the refreshed Scheme Mandate Limit must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such refreshment. Options previously granted under the New Scheme or any other share option schemes of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the New Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.
- (iii) The Company may also, by obtaining separate approval of the Shareholders in general meeting, grant options beyond the Scheme Mandate Limit provided the options in excess of the Scheme Mandate Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.
- (iv) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

**7. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

The maximum number of Shares issued and to be issued upon exercise of options granted under the New Scheme and any other share option schemes of the Company to any Eligible Participant (including cancelled, exercised and outstanding options), in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders with such Eligible Participant and his associates abstaining from voting.

**8. GRANT OF OPTIONS TO CERTAIN CONNECTED PERSONS**

- (i) Any grant of an option to any Director, chief executive or substantial shareholder or any their respective associates must be approved by the Independent Non-executive Directors of the Company (but excluding, for all purposes, any Independent Non-executive Director of the Company who is a proposed Grantee).
- (ii) Where any grant of options to a substantial shareholder or an Independent Non-executive Director of the Company or their respective associates would result in the total number of the Shares issued and to be issued upon exercise of the options granted and to be granted (including options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant:
  - (a) representing in aggregate over 0.1% of the Shares in issue; and
  - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by the shareholders of the Company. The Company must send a circular to its shareholders, setting out, inter alia, details of the number and terms of the options to be so granted. All Connected Persons must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll in accordance with the Listing Rules.

**9. TIME OF EXERCISE OF OPTION**

An option may be exercised in accordance with the terms of the New Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the Board may determine in granting the option and expiring at the close of business on such date as the Board may determine in granting the option but in any event shall not exceed 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted).

The Board may, on a case-by-case basis and at its discretion when offering the grant of an option under the New Scheme, impose any conditions, restrictions or limitations in relation thereto, including as to the achievement of operating or financial targets, the satisfactory performance of certain obligations by the grantee, and/or any minimum period for which an option must be held before it can be exercised.

**10. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of the Bye-laws in force as at the allotment date and shall rank pari passu in all respects with the existing fully paid Shares in issue on the allotment date and accordingly shall entitle the holder to participate in all dividends or other distributions paid or made after the allotment date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the allotment date. Any Share allotted upon the exercise of an option shall not carry voting rights until the name of the Grantee has been duly entered into the register of members of the Company as the holder thereof.

**11. RIGHTS ARE PERSONAL TO GRANTEE**

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

**12. RIGHTS ON A GENERAL OFFER**

If a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeovers Code), the Grantee shall be entitled to exercise the Option (to the extent exercisable as at the date on which the general offer becomes or is declared unconditional and not exercised) in full or in part at any time within one month after the date on which the offer becomes or is declared unconditional (within the meaning of the Takeovers Code).

**13. RIGHTS ON WINDING UP**

If notice is given by the Company to Shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may, by notice in writing to the Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant option (such notice to be received by the Company not later than two business days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise.

**14. RIGHTS ON COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between the Company and Shareholders or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to Shareholders or creditors to consider such a scheme of arrangement, and thereupon the Grantee may, by notice in writing to the Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant option (such notice to be received by the Company not later than 2 business days (excluding any period(s) of closure of the Company's share registers) prior to the proposed meeting) exercise the option (to the extent exercisable as at the date of the notice to the Grantee and not exercised) either in full or in part and the Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of the Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise credited as fully paid and registered the Grantee as holder thereof.

**15. LAPSE OF OPTIONS**

An Option (to the extent that such Option has not already been exercised) shall lapse and not be exercisable on the earliest of:

- (i) the expiry of the Exercise Period;
- (ii) the expiry of any of the periods referred to the following:
  - (a) in the event of death of the Grantee (being an individual) before exercising the Option in full, his legal personal representatives may exercise the Option up to the Grantee's entitlement (to the extent exercisable as at the date of his death and not exercised) within 30 days following his death or such longer period as the Board may determine;
  - (b) subject to sub-clauses (c) and (d), in the event of the Grantee who is an Employee ceasing to be an Employee for any reason other than his death, disability or the termination of his employment on one or more of the grounds specified in the New Scheme, the Grantee may exercise the Option (to the extent exercisable as at the date of the relevant event and not exercised) till the date of cessation as an Employee;
  - (c) where the Grantee is an Employee, director, consultant, professional, agent, partner, advisor or contractor to the Group or its Affiliate at the time of the grant of the relevant option(s) and his employment or service to the Company is terminated on the ground of disability, the Grantee may exercise the option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee, director, consultant, professional, agent, partner, advisor or contractor to the Group or its Affiliate and not exercised) till the date of termination of employment or such longer period as the Board may determine;

- (d) where the Grantee is an Employee at the time of the grant of the relevant options, in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate, then the option (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) shall be exercised till the date of cessation as an Employee or such longer period as the Board may determine;
  - (e) where the Grantee is an Employee at the time of the grant of the relevant option(s), in the event that such Grantee shall cease to be an Employee but becomes, or continues to be, a director of the Group or an Affiliate, then the option(s) (to the extent exercisable as at the date on which such Grantee ceases to be an Employee and not exercised) granted prior to the date of his becoming a director of the Group or its Affiliate shall remain exercisable until its expiry in accordance with the provisions of this Scheme and the terms and conditions upon which such option(s) is granted unless the Board shall determine to the contrary;
  - (f) in the event of the Grantee, who is a director, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate but not an Employee, ceasing to be a director, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or an Affiliate (as the case may be) for any reason other than his death (in the case of a Grantee being an individual) or disability (in the case of a Grantee being a director or consultant of the Group or its Affiliate), the option (to the extent exercisable as at the date of such cessation and not exercised) shall be exercised till the date of such cessation or such longer period as the Board may determine;
- (iii) subject to paragraph 13, the date of the commencement of the winding-up of the Company;
  - (iv) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph 14; or
  - (v) the date on which the Grantee who is an Employee ceases to be an Employee by reason of the termination of his employment on the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty. A resolution of the Board to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this clause shall be conclusive and binding on the Grantee.

- (vi) the happening of any of the following events, unless otherwise waived by the Board:
  - (a) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the Grantee (being a corporation);
  - (b) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within a meaning of section 178 of the Companies Ordinance or any similar provisions under the Companies Act) or otherwise become insolvent;
  - (c) there is unsatisfied judgment, order or award outstanding against the Grantee or the Company has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
  - (d) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-clauses (a), (b) and (c) above;
  - (e) a bankruptcy order has been made against the Grantee or any Director of the Grantee (being a corporation) in any jurisdiction; or
  - (f) a petition for bankruptcy has been presented against the Grantee or any Director of the Grantee (being a corporation) in any jurisdiction;
- (vii) the date on which a situation as contemplated under paragraph 11 arises;
- (viii) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the option, unless otherwise resolved to the contrary by the Board; or
- (ix) the date on which the Board resolves that the Grantee has failed or otherwise is or has been unable to meet the continuing eligibility criteria.

#### **16. CANCELLATION OF OPTIONS GRANTED BUT NOT YET EXERCISED**

The Board shall have the absolute discretion to cancel any Options granted at any time if the Grantee so agreed provided that where an Option is cancelled and a new option is proposed to be issued to the same Grantee, the issue of such new option may only be made with available but unissued Shares in the authorised share capital of the Company, and available ungranted options (excluding for this purpose all cancelled options) within the limits referred to in paragraphs 6 and 7.



**17. EFFECTS OF ALTERATIONS TO CAPITAL**

In the event of any alteration in the capital structure of the Company while an option remains exercisable, and such event arises from, including a capitalisation of profits or reserves, rights issue, consolidation, reclassification, subdivision or reduction of the share capital of the Company, such corresponding alterations (if any) shall be made in:

- (i) the number or nominal amount of Shares subject to the options so far as unexercised; and/or
- (ii) the exercise price; and/or
- (iii) the method of exercise of the options; and/or
- (iv) the maximum number of Shares referred to in paragraphs 6 and 7.

Any adjustments required under this clause must give a Grantee the same proportion of the equity capital as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value or (unless with prior approval from the Company's shareholders in general meeting) to the extent that such adjustments are made to the advantage of the Grantee. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser appointed by the Company or the Company's auditor must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this clause.

**18. PERIOD OF THE NEW SCHEME**

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted by Shareholders in the 2008 Annual General Meeting and shall expire at the close of business on the day preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

**19. ALTERATION TO THE NEW SCHEME**

- (i) The New Scheme may be altered in any respect by resolution of the Board except those specific provisions relating to matters set out in Rule 17.03 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) which cannot be altered to the advantage of Grantees or prospective Grantees except with the prior approval of the shareholders of the Company in general meeting.
- (ii) Any alterations to the terms and conditions of the New Scheme which are of a material nature must be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Scheme.

- (iii) Any change to the authority of the Directors or Scheme administration in relation to any alterations to the terms of the New Scheme must be approved by the Shareholders in general meeting.
- (iv) The amended terms of the New Scheme must continue to comply with the relevant provisions of the Listing Rules as may be amended from time to time.
- (v) Subject to the provisions set out in this paragraph, the Board may at any time alter, amend or modify the terms and conditions of the New Scheme such that the provisions of the New Scheme would comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary by the Board to implement the terms of the New Scheme.

## **20. TERMINATION OF THE NEW SCHEME**

- (i) The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Scheme and in such event, no further options will be offered but the provisions of the New Scheme shall remain in force in all other respects.
- (ii) Options complying with the provisions of the Listing Rules which are granted during the life of the New Scheme and remain unexpired immediately prior to the termination of the operation of the New Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Scheme.

## **21. CONDITIONS OF THE NEW SCHEME**

The New Scheme is conditional on (1) the passing by the Shareholders of ordinary resolutions at the 2008 Annual General Meeting to approve the adoption of the New Scheme; and (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, up to 115,503,747 Shares (subject to adjustment as is permissible under the rules of the New Scheme), representing 10% of the Shares in issue as at the date of the 2008 Annual General Meeting (assuming no Shares will be issued or repurchased by the Company prior to such date), which may be issued pursuant to the exercise of any options which may be granted under the New Scheme and any other schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company.

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**APPENDIX IV      PROCEDURE BY WHICH THE SHAREHOLDERS MAY  
DEMAND A POLL AT A GENERAL MEETING  
PURSUANT TO THE BYE-LAWS**

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*The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the 2008 Annual General Meeting) pursuant to the Bye-laws.*

According to Bye-law 66 of the Bye-laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

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## NOTICE OF THE 2008 ANNUAL GENERAL MEETING

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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

**NOTICE IS HEREBY GIVEN** that the 2008 Annual General Meeting of I.T Limited (the “Company”) will be held at Xinhua Room, Mezzanine Floor, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong on Monday, 30 June, 2008 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditor for the year ended 29 February 2008;
2. To declare a final dividend of HK8.5 cents per share;
3. To elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration;
4. To appoint Auditor and to authorise the Board of Directors to fix their remuneration;
5. To consider as a special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and

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## NOTICE OF THE 2008 ANNUAL GENERAL MEETING

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- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”;
6. To consider as a special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of options under a share option scheme of the Company; and
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF THE 2008 ANNUAL GENERAL MEETING

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- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held;

"Rights Issue" means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange)."; and

7. To consider as a special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice convening this meeting, the general mandate referred to in resolution no. 6 above be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution no. 5 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.";

8. To consider as a special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, Shares to be issued pursuant to the exercise of options which may be granted under the New Share Option Scheme (copy of which is produced to this meeting and signed by the Chairman of this meeting for the purpose of identification), the rules of the New Share Option Scheme be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme."; and

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## NOTICE OF THE 2008 ANNUAL GENERAL MEETING

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9. To consider as a special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the passing of Ordinary Resolution No. 8 set out in this Notice and the conditions referred to therein being satisfied or fulfilled, the operation of the existing share option scheme of the Company adopted on 3 February 2005 be hereby terminated with effect from the adoption of the New Share Option Scheme (such that no further options could thereafter be offered under the existing share option scheme of the Company but in all other respects the provisions of the existing share option scheme of the Company shall remain in full force and effect).”.

By Order of the Board  
**Ho Suk Han, Sophia**  
*Company Secretary*

Hong Kong, 6 June 2008

*Notes:*

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Wednesday, 25 June 2008 to Monday, 30 June 2008, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 24 June 2008.
4. In relation to the ordinary resolutions nos. 5, 6 and 7 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.