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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 999)**

**UNAUDITED FY14/15 FIRST QUARTER TRADING UPDATE  
FOR THE THREE MONTHS ENDED 31 MAY 2014**

*This announcement is made pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.*

This update is made by I.T Limited (the “Company”) on the key business operations and selected unaudited financial information of the Company and its subsidiaries (the “Group”) for the three months ended 31 May 2014 (the “First Quarter”).

**First Quarter Key Operational Data**

**Comparable store sales growth - key operating markets:**

	3 months ended 31 May 2014	YOY Change
Hong Kong		+2.2%
Mainland China		+4.5%
Japan		+20.2%

**Gross profit margin - key operating markets:**

	3 months ended 31 May 2014	YOY change
Hong Kong	61.4%	-0.1%pts
Mainland China	60.1%	+3.6%pts
Japan	75.3%	+3.4%pts
<b>Group</b>	<b>62.4%</b>	<b>+1.6%pts</b>

Although the macro-economic conditions are still challenging, an improvement in comparable store sales was recorded across the Group's principal operating regions during the three months ended 31 May 2014. Gross margin of the Group increased 1.6 percentage points to 62.4% for the period, as compared to the same period last year. The uplift in gross margin was largely attributed to the reduction in price discounting campaigns.

Despite the improvement in sales and gross profit, the overall performance of the Group was however significantly affected by the escalating cost of operations (such as rental and staff costs), the operating losses of Galeries Lafayette (a jointly controlled entity) during the start-up period and the exchange losses arising from recent devaluation of Chinese Renminbi. These factors have caused an adverse impact on the Group's performance.

Inventory turnover days of the Group as at 31 May 2014 was trending below the level recorded at the same time last year. The Group will continue to take a strategic measure in stock ordering and monitoring to align with sales targets, while expanding our product offering spectrum at the same time.

**Caution Statement:**

The Board of Directors of the Company would like to remind investors that the above trading update is compiled basing on the Company's internal records and management accounts for the three months ended 31 May 2014 which have not been reviewed or audited by the auditor of the Company. **Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Sham Kar Wai**  
Chairman

Hong Kong, 16 July 2014

*As at the date of this announcement, the Board comprises Mr. SHAM Kar Wai and Mr. SHAM Kin Wai as Executive Directors and Mr. Francis GOUTENMACHER, Dr. WONG Tin Yau, Kelvin, JP and Mr. MAK Wing Sum, Alvin as Independent Non-executive Directors.*