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*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 999)**

**UNAUDITED FY16/17 FIRST QUARTER TRADING UPDATE  
 FOR THE THREE MONTHS ENDED 31 MAY 2016**

*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 2016 (the “First Quarter”).

**First Quarter Key Operational Data**

**Comparable store sales growth (in local currency) - key operating markets:**

	3 months ended 31 May 2016	YOY Change
Hong Kong		0.0%
Mainland China		+6.6%
Japan		+32.9%

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

	3 months ended 31 May 2016	YOY change
Hong Kong	60.4%	+1.1%pt
Mainland China	61.5%	-1.2%pt
Japan	71.5%	+3.1%pt
<b>Group</b>	<b>62.8%</b>	<b>+0.3%pt</b>

Despite ongoing unstable macroeconomic landscape, alongside diminished in-bound tourist traffic, our comparable store sales performance in Hong Kong remained flat in the First Quarter. Mainland China sales had continued to thrive despite moderate economic developments. This was attributable to the further enhancement in our brand equity and the broadening of our brand awareness. Our Japan segment had also continued to perform well benefitting from increase in tourist flow.

The Group's gross profit margin experienced an uplift as a result of reduction in markdowns in relation to sales across our principal operating regions. Notwithstanding, persisting cost inflation continued to place downward pressure on our operating margins. We continue to operate in a difficult trading environment, particularly in Hong Kong.

**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 2016 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, 12 August 2016

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