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**(Stock Code: 999)**

## **UNAUDITED FY15/16 FIRST QUARTER TRADING UPDATE FOR THE THREE MONTHS ENDED 31 MAY 2015**

*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 2015 (the “First Quarter”).

### **First Quarter Key Operational Data**

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

	3 months ended 31 May 2015	YOY Change
Hong Kong		-0.5%
Mainland China		+3.5%
Japan		+23.2%

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

	3 months ended 31 May 2015	YOY change
Hong Kong	59.1%	-2.3%pts
Mainland China	62.7%	+2.6%pts
Japan	68.8%	+0.7%pt
<b>Group</b>	<b>62.5%</b>	<b>+0.1%pt</b>

The Group's gross profit margin increased slightly by 0.1%pt. In particular, Hong Kong recorded a decline of 2.3%pts, whereas the gross profit margins in Mainland China and Japan recorded an uplift of 2.6%pts and 0.7%pt respectively.

Looking specifically at the Hong Kong market, sales remained unimpressive amidst challenging retail conditions, characterized by weak consumption appetite and surging cost of operations. In view of the unfavourable business environment, promotional price reduction campaigns were rolled out beginning in April, earlier compared to the previous year.

Inventory turnover days of the Group as at 31 May 2015 trended above the level recorded at the same time last year. This increase in average inventory turnover cycle was primarily a result of lower-than-expected sales performance during the period.

**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 2015 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, 11 August 2015

*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.*