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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.

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

**PROPOSED RE-ELECTION OF DIRECTORS
PROPOSED GENERAL MANDATES TO SHARE BUY-BACKS 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
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of I.T Limited to be held at 17/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong on Tuesday, 15 August 2017 at 3:00 p.m. is set out on pages 31 to 35 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).

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 Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

14 June 2017

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2017 Annual General Meeting”	the annual general meeting of the Company to be held at 17/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong on Tuesday, 15 August 2017 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 31 to 35 of this circular, or any adjournment thereof;
“Affiliate”	any company in which the Group holds an interest or a subsidiary of such company;
“associate”	shall have the meaning ascribed to it under the Listing Rules;
“close associate”	shall have the meaning ascribed to it under the Listing Rules;
“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, as amended, modified or otherwise supplemented from time to time;
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules;
“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;
“core 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, which may include: (i) any director, Employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or an 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;

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“Employee”	any employee or officer of any company in the Group or (where applicable) its Affiliate who is employed by any company in the Group or (where applicable) its Affiliate (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 date on which the relevant option is deemed to have been granted under the New Scheme;
“Existing Scheme”	the existing share option scheme of the Company adopted on 30 June 2008;
“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);
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	7 June 2017, 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 new share option scheme proposed to be adopted by the Company at the 2017 Annual General Meeting, the principal terms of which are set out in Appendix III to this circular;
“Notice”	the notice of the 2017 Annual General Meeting set out on pages 31 to 35 of this circular;
“Registrar”	Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

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“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) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	shall have the meaning ascribed to it under the Listing Rules; and
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong.

LETTER FROM THE BOARD



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

Executive Directors:

Sham Kar Wai
Sham Kin Wai
Chan Wai Kwan

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Francis Goutenmacher
Wong Tin Yau, Kelvin, JP
Mak Wing Sum, Alvin

Principal Place of Business:

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

14 June 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF DIRECTORS
PROPOSED GENERAL MANDATES TO SHARE BUY-BACKS 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
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2017 Annual General Meeting for (i) re-election of Directors retiring at the 2017 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 purchased by the Company under the Buyback Mandate; (v) the adoption of the New Scheme; and (vi) the termination of the operation of the Existing Scheme.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

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 to but not less than 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 re-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. Mr. Sham Kar Wai and Mr. Mak Wing Sum, Alvin, will retire by rotation at the 2017 Annual General Meeting pursuant to Bye-law 87 of the Bye-laws and being eligible, will offer themselves for re-election at the 2017 Annual General Meeting.

Independent Non-executive Directors are appointed for a one year specific term and are subject to the re-election provisions laid down in the Bye-laws and the CG Code. Pursuant to Code A.4.3 of the code provisions of the CG Code, an independent non-executive director having served the Company for more than nine years could be relevant to the determination of his independence. Mr. Francis Goutenmacher and Dr. Wong Tin Yau, Kelvin, JP have been appointed as an Independent Non-executive Director since August 2006 and August 2007 respectively. The Board opined that both Mr. Goutenmacher and Dr. Wong have clearly demonstrated their exercise of independent judgment and provision of objective challenges and advices to Executive Directors and management team. There is no evidence that length of tenure is having an adverse impact on their independence.

Each of Mr. Goutenmacher and Dr. Wong has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During their years of serving as Director, both of them demonstrated their ability to provide independent views to the Company's matters. The Board is of the view that each of Mr. Goutenmacher and Dr. Wong meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the term of the guidelines.

In view of the above, the Board believes that Mr. Goutenmacher and Dr. Wong are able to continue to fulfil their role as an Independent Non-executive Director and thus recommends them for re-election at the 2017 Annual General Meeting.

Brief biographical details of the retiring Directors who offer themselves for re-election at the 2017 Annual General Meeting are set out in Appendix I of this circular.

3. BUYBACK AND ISSUANCE MANDATES

Ordinary resolutions will be proposed at the 2017 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 of up to 10% of the number of issued Shares as at the date of passing of such resolution (the "Buyback Mandate");
- (b) to allot, issue and deal with Shares of an aggregate of up to 20% of the number of issued Shares as at the date of passing of such resolution (the "Issuance Mandate"); and

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- (c) to extend the Issuance Mandate by an amount representing the aggregate number of Shares purchased by the Company pursuant to and in accordance with the Buyback Mandate.

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 2017 Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 9 and 10 set out in the Notice.

As at the Latest Practicable Date, the Company had no immediate plan to issue any new Shares under the Issuance Mandate.

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. The Directors wish to state that they will exercise the powers conferred by the Buyback Mandate to repurchase Shares in circumstances which they deem appropriate for the benefit of the Shareholders.

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

The Existing Scheme was adopted by the Company on 30 June 2008. It shall be valid and effective for a period of ten years from 8 July 2008, the date when it became unconditional after the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be issued and allotted by the Company pursuant to the exercise of options in accordance with the terms and conditions of the Existing Scheme. In view of the forthcoming expiration of the Existing Scheme, the Board proposes to recommend to the Shareholders at the 2017 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 did not maintain 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 2017 Annual General Meeting, the operation of the Existing Scheme shall be terminated with effect from the conclusion of the 2017 Annual General Meeting (such that no further options can 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 valid and exercisable in accordance with their terms of grant after the termination of the Existing Scheme.

The purpose of adopting the New Scheme is to enable the Group to grant options to the selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Group. The scope of the Eligible Participants under the New Scheme is the same as that of the Existing Scheme. The Board considers that it is in line with market practice that appropriate Eligible Participants (including parties other than employees and directors of the Company who might play an important role in contributing to the success of the Group), as determined by the Board from time to time on the basis of

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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. All of the Eligible Participants (including parties other than employees and directors of the Company) are stakeholders of the Group whose quality of performance, service, product or advice (where appropriate) may directly or indirectly affect the operation and performance of the Group or any Affiliate. Since an Affiliate contributes to the profitability of the Group in the form of investment of minority interest, the quality of operation and performance of both the Group and any Affiliate would play an important role in maintaining the overall profitability of the Group. The Board will assess, among other factors, the eligibility of the Eligible Participants based on their individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard; or where appropriate, contribution to the profits of the Group during the financial year. The Board believes that by offering these Eligible Participants an opportunity to obtain an ownership interest in the Company, the Company can provide them with an additional incentive and encouragement which is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In addition, 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. With respect to the operation of the New Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

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 on 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 as at the date of approval of the New Scheme by the Shareholders at the 2017 Annual General Meeting.

As at the Latest Practicable Date, a total of 121,151,895 options were granted and remained outstanding under the Existing Scheme. No options were lapsed or cancelled since the date of adoption of the Existing Scheme. The Directors confirmed that no further option will be granted under the Existing Scheme from the Latest Practicable Date up to the date of the 2017 Annual General Meeting. Termination of the Existing Scheme is subject to Shareholders' approval and conditional upon the adoption of the New Scheme.

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Assuming no further Shares will be allotted, issued or repurchased by the Company from the Latest Practicable Date to the date of the 2017 Annual General Meeting on which the New Scheme is expected to be adopted by the Shareholders, the total number of Shares in issue as at the date of the 2017 Annual General Meeting will be 1,195,797,307. 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 119,579,730 Shares may be issued.

The New Scheme will be valid and effective for a ten year period commencing from the date on which the following conditions are fulfilled:

- (i) the passing by the Shareholders of the necessary resolution at the 2017 Annual General Meeting to approve the adoption of the New Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, up to 119,579,730 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 2017 Annual General Meeting (assuming no Shares will be issued or repurchased by the Company from the Latest Practicable Date up to such date), which may be issued and allotted 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 approval of the listing of, and permission to deal in, the Shares up to 119,579,730 Shares (subject to adjustment as is permissible under the rules of the New Scheme), representing up to 10% of the total number of Shares in issue as at the date of the 2017 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, the Company had no immediate plan to grant any options to any Eligible Participant 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) from the date of this circular up to and including the date of the 2017 Annual General Meeting.

So far as the Directors are aware of, as at the Latest Practicable Date, none of the Shareholders is required to abstain from voting on the ordinary resolution to approve the termination of the Existing Scheme or the adoption of the New Scheme. None of the Directors is the trustee of the New Scheme or has a direct or indirect interest in the trustee, if any.

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5. 2017 ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The Notice is set out on pages 31 to 35 of this circular. At the 2017 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 purchased 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 2017 Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Company (www.ithk.com) and the Stock Exchange (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 2017 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 2017 Annual General Meeting if you so wish.

6. VOTING AT THE 2017 ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the Notice will be put to the vote by way of a poll pursuant to Bye-law 66 of the Bye-laws.

7. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the granting of the Buyback Mandate and the granting/extension of the Issuance Mandate, the adoption of the New Scheme and the termination of the Existing Scheme are in the interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the 2017 Annual General Meeting.

8. RESPONSIBILITY STATEMENT

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

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9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Details of the Directors proposed to be re-elected at the 2017 Annual General Meeting), Appendix II (Explanatory statement on the Buyback Mandate) and Appendix III (Summary of the Principal Terms of the Rules of the New Scheme) to this circular.

Yours faithfully,
For and on behalf of
I.T LIMITED
SHAM KAR WAI
Chairman

Pursuant to the Listing Rules, the details of the Directors who will retire at the 2017 Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the 2017 Annual General Meeting are provided below.

(1) MR. SHAM KAR WAI, AN EXECUTIVE DIRECTOR

Experience

Mr. Sham Kar Wai, aged 50, is an Executive Director, the Chairman of the Board and the Chief Executive Officer of the Group. He also serves as a member of the Company's Nomination Committee and Remuneration Committee. He founded the Group in November 1988 with his brother, Mr. Sham Kin Wai, and is responsible for the overall management and strategic development of the Group. Mr. Sham has nearly 30 years of experience in the fashion retail industry and has established an extensive network of contacts with international design houses.

Save as disclosed above, as at the Latest Practicable Date, Mr. Sham did not have any other major appointments and professional qualifications. Mr. Sham has not held any directorship in any other public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years. Save that he is a director of all 50/50 joint ventures in the Group and certain directly and indirectly wholly owned subsidiaries of the Company, Mr. Sham does not hold any other positions with the Company or other members of the Group.

Length of service and emoluments

The Company entered into a service agreement with Mr. Sham commencing 19 October 2016 for a term of three years (subject to renewal). Under the service agreement, Mr. Sham is now entitled to an annual package of approximately HK\$9,640,000 and an annual bonus of an amount as the Board may determine in its absolute discretion in respect of each complete financial year of the Group during his service term. 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 is determined by the Board with reference to his experience, performance and duties.

Relationships

Other than being the brother of Mr. Sham Kin Wai, an Executive Director of the Company, and the relationship arising from his being an Executive Director, Mr. Sham Kar Wai does not have any relationships with any other Directors, management team, substantial Shareholders, 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 740,446,820 Shares and underlying Shares/equity derivatives 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.

(2) MR. MAK WING SUM, ALVIN, AN INDEPENDENT NON-EXECUTIVE DIRECTOR**Experience**

Mr. Mak Wing Sum, Alvin, aged 64, was appointed as an Independent Non-executive Director in March 2012. He also serves as a member of the Company's Audit Committee and Remuneration Committee and the Chairman of the Nomination Committee. Mr. Mak is a member of the Hong Kong Housing Society and a member of its audit committee and special committee on investment. He is also an independent non-executive director, chairman of the audit committee and a member of each of the remuneration committee and nomination committee of Goldpac Group Limited; an independent non-executive director, chairman of the nomination committee and a member of each of the audit committee and remuneration committee of Luk Fook Holdings (International) Limited; an independent non-executive director and a member of each of the audit committee, nomination committee and remuneration committee of Hong Kong Television Network Limited; and an independent non-executive director of Lai Fung Holdings Limited, all companies are listed on the Stock Exchange. Mr. Mak, after working in Citibank for over 26 years, went into his retirement in May 2012. He last served as the Head of Markets and Banking for Citibank Hong Kong, being the country business manager for corporate and investment banking business. In Citibank, he had held various senior positions including Head of Global Banking responsible for managing all the coverage bankers. Prior to that, he also managed the Hong Kong's corporate finance business, regional asset management business and was the Chief Financial Officer of North Asia. Before joining Citibank in 1985, Mr. Mak was an audit group manager at Coopers & Lybrand (now known as PricewaterhouseCoopers). He worked for Coopers & Lybrand for eight years, five of which was in Toronto, Canada. He graduated from University of Toronto with a Bachelor of Commerce in 1976. He is a Chartered Accountant and is a member of the Canadian Institute of Chartered Accountants as well as a member of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, as at the Latest Practicable Date, Mr. Mak did not have any other major appointments and professional qualifications; has not held any directorships in any other public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years; and does not hold any other positions with the Company or other members of the Group.

Length of service and emoluments

Mr. Mak served as the Independent Non-executive Director commencing from 31 March 2012 for an initial term of one year and was renewed annually up to 31 March 2018. Mr. Mak is currently entitled to an annual director's fee of HK\$276,000, which was determined by the Board with reference to the fees paid to independent non-executive directors by other listed companies in the retail industry. Mr. Mak will also be entitled to all reasonable out-of-pocket expenses. No services contract was entered into with Mr. Mak.

Relationships

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

Interests in Shares

As at the Latest Practicable Date, Mr. Mak does not have any interest and short position in the Shares or underlying Shares and debentures of the Company and its associated corporations within the meaning of 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. Mak that need to be brought to the attention of the Shareholders.

(3) MR. FRANCIS GOUTENMACHER, AN INDEPENDENT NON-EXECUTIVE DIRECTOR**Experience**

Mr. Francis Goutenmacher, aged 75, was appointed as an Independent Non-executive Director in August 2006. He also serves as the Chairman of the Company's Remuneration Committee and a member of Audit Committee and Nomination Committee. Mr. Goutenmacher is an independent non-executive director, a member of each of the audit committee and nomination committee of The 13 Holdings Limited. He was also an independent non-executive director and a member of each of the audit committee, remuneration committee, executive committee and nomination committee of Natural Beauty Bio-Technology Limited from 2010 to 2015. Both named companies are listed on the Stock Exchange. Mr. Goutenmacher was a director and the non-executive chairman of the board of directors of PLUKKA Limited, a company listed on the Australian Securities Exchange Limited, from 2015 to January 2017. Mr. Goutenmacher holds a Bachelor's degree from Ecole Nationale des Arts Decoratifs in Paris, France. Mr. Goutenmacher has been with Richemont Luxury Group, S.A. ("Richemont"), one of the world leading luxury goods groups, for over 30 years. He has been the managing director and chief executive officer of several prestigious brands, like Cartier and Piaget, encompassed by Richemont. After retiring as the regional chief executive of Richemont Asia Pacific Limited, Mr. Goutenmacher is now running a marketing consultancy firm, Gouten Consulting Limited, and is a director of this consultancy company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Goutenmacher did not have any other major appointments and professional qualifications; has not held any directorships in any other public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years; and does not hold any other positions with the Company or other members of the Group.

Length of service and emoluments

Mr. Goutenmacher served as the Independent Non-executive Director commencing from 1 August 2006 for an initial term of one year and was renewed annually up to 31 July 2017. Mr. Goutenmacher is currently entitled to an annual director's fee of HK\$276,000, which was determined by the Board with reference to the fees paid to independent non-executive directors by other listed companies in the retail industry. Mr. Goutenmacher will also be entitled to all reasonable out-of-pocket expenses. No services contract was entered into with Mr. Goutenmacher.

Relationships

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

Interests in Shares

As at the Latest Practicable Date, Mr. Goutenmacher does not have any interest and short position in the Shares or underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

Mr. Goutenmacher has been appointed as an Independent Non-executive Director since August 2006. Pursuant to Code A.4.3 of the code provisions of the CG Code, an independent non-executive director having served the Company for more than nine years could be relevant to the determination of his independence. The Board opined that Mr. Goutenmacher has clearly demonstrated his exercise of independent judgment and provision of objective challenges and advices to Executive Directors and management team. There is no evidence that length of tenure is having an adverse impact on his independence.

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.

Other than the above, there are no other matters concerning Mr. Goutenmacher that need to be brought to the attention of the Shareholders.

(4) DR. WONG TIN YAU, KELVIN, JP, AN INDEPENDENT NON-EXECUTIVE DIRECTOR**Experience**

Dr. Wong Tin Yau, Kelvin, JP, aged 56, was appointed as an Independent Non-executive Director in August 2007. He also serves as the Chairman of the Company's Audit Committee. Dr. Wong is an executive director and deputy managing director, the Chairman of the Corporate Governance Committee and a member of the Executive Committee of COSCO SHIPPING Ports Limited (formerly known as "COSCO Pacific Limited"), a company listed on the Stock Exchange.

Dr. Wong is the immediate past Chairman and was the Chairman (2009-2014) of The Hong Kong Institute of Directors, a non-executive director of the Securities and Futures Commission, the Chairman of the Investor Education Centre, a member of the Financial Reporting Council and a member of the Operations Review Committee of Independent Commission Against Corruption.

Dr. Wong is currently an independent non-executive director of Asia Investment Finance Group Limited, Bank of Qingdao Co., Ltd., China ZhengTong Auto Services Holdings Limited and Huarong International Financial Holdings Limited. He was also an independent non-executive director of AAG Energy Holdings Limited and CIG Yangtze Ports PLC. All the aforementioned companies are listed in Hong Kong. In addition, Dr. Wong is an independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., a company dual listed in Hong Kong and Shanghai, and Xinjiang Goldwind Science & Technology Co., Ltd. ("Xinjiang Goldwind"), a company dual listed in Hong Kong and Shenzhen. He was also an independent non-executive director of Xinjiang Goldwind from June 2011 to June 2016.

Dr. Wong obtained his Master of Business Administration degree from Andrews University in Michigan, the USA in 1992 and his Doctor of Business Administration degree from The Hong Kong Polytechnic University in 2007.

Save as disclosed above, as at the Latest Practicable Date, Dr. Wong did not have any other major appointments and professional qualifications; has not held any directorships in any other public companies whose securities are listed on any securities market in Hong Kong or overseas during the past three years; and does not hold any other positions with the Company or other members of the Group.

Length of service and emoluments

Dr. Wong served as the Independent Non-executive Director commencing from 1 August 2007 for an initial term of one year and was renewed annually up to 31 July 2017. Dr. Wong is currently entitled to an annual director's fee of HK\$276,000, which was determined by the Board with reference to the fees paid to independent non-executive directors by other listed companies in the retail industry. 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 relationship with any other Directors, management team, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Dr. Wong does not have any interest and short position in the Shares or underlying Shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

Dr. Wong has been appointed as an Independent Non-executive Director since August 2007. Pursuant to Code A.4.3 of the code provisions of the CG Code, an independent non-executive director having served the Company for more than nine years could be relevant to the determination of his independence. The Board opined that Dr. Wong has clearly demonstrated his exercise of independent judgment and provision of objective challenges and advices to Executive Directors and management team. There is no evidence that length of tenure is having an adverse impact on his independence.

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.

Other than the above, there are no other matters concerning Dr. Wong that need to be brought to the attention of the Shareholders.

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 2017 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.

Buy-back 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 purchased on any occasion and the price and other terms upon which the same are purchased 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 shares of the Company comprised 1,195,797,307 Shares.

Subject to the passing of the ordinary resolution no. 9 set out in the Notice in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or purchased by the Company prior to the date of the 2017 Annual General Meeting, the Directors would be authorised under the Buyback Mandate to purchase a maximum of 119,579,730 Shares (representing 10% of the number of issued Shares as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF PURCHASES

In purchasing 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 purchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share purchase 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 purchase 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 purchased.

4. IMPACT OF PURCHASES

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 consolidated financial statements contained in the annual report for the year ended 28 February 2017) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed purchase 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 as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in voting rights as a result of any share buy-back, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, based on disclosure under Part XV of the SFO, HSBC International Trustee Limited as the trustee of The ABS 2000 Trust (which amongst others, Mr. Sham Kar Wai and Mr. Sham Kin Wai, Directors, are beneficiaries) was interested in 698,564,441 Shares, representing approximately 58.41% of the issued Shares. In event that the Directors exercise in full the power to buy-back Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the 2017 Annual General Meeting, then (if the present shareholdings otherwise remained the same) HSBC International Trustee Limited's interest would be increased to 64.90% of the issued Shares. Save as disclosed above, based on information available to the Company, no other Shareholder is holding 10% or more of the Shares. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any buy-backs 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 close associates has 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 core connected persons 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.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases 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:

Month	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
May	2.58	1.81
June	2.58	2.16
July	2.40	2.25
August	2.83	2.28
September	2.82	2.39
October	3.15	2.53
November	3.25	2.78
December	3.48	3.01
2017		
January	3.34	2.98
February	3.37	3.07
March	3.44	3.16
April	3.40	3.21
May	3.51	3.08
June (up to Latest Practicable Date)	3.38	3.22

8. PURCHASE OF SHARES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had purchased its Shares on the Stock Exchange as follows:

Date of purchase	Number of Shares purchase	Highest price paid per Share <i>HK\$</i>	Lowest price paid per Share <i>HK\$</i>
1 December 2016	1,500,000* ¹	3.28	3.15
2 December 2016	780,000* ¹	3.33	3.24
6 December 2016	480,000* ²	3.38	3.34
8 December 2016	600,000* ²	3.39	3.34
13 December 2016	1,250,000* ²	3.23	3.14
14 December 2016	198,000* ²	3.20	3.17
15 December 2016	<u>4,930,000*²</u>	3.23	3.13
	<u><u>9,738,000</u></u>		

* *Notes:*

1. Shares cancelled on 12 December 2016.
2. Shares cancelled on 10 January 2017.

The following is a summary of the principal terms of the New Scheme to be approved at the 2017 Annual General Meeting. It does not form part of, nor is it intended to be part of the rules of the New Scheme and it should not be taken as affecting the interpretation of the rules of the New Scheme. The Directors reserve the rights at any time prior to the 2017 Annual General Meeting to make such amendments to the New Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this Appendix III.

1. PURPOSE OF THE NEW SCHEME

The New Scheme is a share incentive scheme and is intended to be established to recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group.

The New Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and attracting and retaining or otherwise maintaining ongoing business relationship with the Eligible Participants whose contributions are, will or are expected to be beneficial 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 (i) any director, Employee, consultant, professional, customer, supplier, agent, partner or adviser of or contractor to the Group or any 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 their contribution or potential contribution to the development and growth of the Group or an Affiliate (which would contribute to the investment in minority interest 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 highest of:

- (i) the closing price of a Share as stated in 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 Share as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a Share (if any) 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 containing 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 three business days from the date of offer except for any offer which is made within the last three 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. If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all the scheme of Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.
- (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 always that the refreshed Scheme Mandate Limit must not exceed 10% of the Shares in issue as 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) prior to the approval of such refreshment 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, in aggregate, 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 the options granted under the New Scheme and any other share option schemes of the Company to any Eligible Participant (including exercised, cancelled and outstanding options), in any 12-month period up to the date of grant shall not exceed 1% in aggregate of the Shares in issue as at the date of such grant. Any further grant of options in excess of such limit must be separately approved by Shareholders with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person of the Company) 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 of the Company or any of their respective associates must be approved by the Independent Non-executive Directors (but excluding, for all purposes, any Independent Non-executive Director who is a proposed Grantee).
- (ii) Where any grant of options to a substantial shareholder of the Company or an Independent Non-executive Director 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. The Company must send a circular to the Shareholders, setting out, inter alia, details of the number and terms of the options to be so granted. The relevant Grantee, his associates and all connected persons of the Company must abstain from voting in favour at such general meeting. Parties that are required to abstain from voting in favour may vote against the resolution at such general meeting of the Company provided that their intention to do so has been stated in the relevant circular to the Shareholders.

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 share buyback 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), or such scheme of arrangement is formally proposed to shareholders in the Company, the Grantee shall, notwithstanding any other terms on which the Option was granted, be entitled to exercise the option (to the extent outstanding and not already exercised) in full or in part at any time thereafter up to the close of such offer (or any revised offer) or the date on which the scheme of arrangement becomes effective, as the case may be.

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-paragraphs (c) and (d) below, 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 of 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 of 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; and
 - (g) in the event of a general offer (as referred to in paragraph 12), the expiry of the periods as referred to in paragraph 12 above;
- (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;
 - (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 (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) 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 granted to the same Grantee, the grant 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 has been granted and remains exercisable, and such event arises from, subdivision or reduction of share capital of the Company or issuance of shares with a price-dilutive element such as rights issue, open offer or capitalisation issue, the Company shall make corresponding alterations (if any), in accordance with the Listing Rules and any applicable guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time (including but not limited to the Supplementary Guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange on 5 September 2005), such corresponding alterations (if any) shall also 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 (if any) 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 ten years commencing on the date when it becomes unconditional 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 an ordinary resolution at the 2017 Annual General Meeting to approve the adoption of the New Scheme; and (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, up to 119,579,730 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 2017 Annual General Meeting (assuming no Shares will be issued or repurchased by the Company prior to such date), which may be issued and allotted 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.

NOTICE OF THE 2017 ANNUAL GENERAL MEETING



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

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting of I.T Limited (the “Company”) will be held at 17/F., Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong on Tuesday, 15 August 2017 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 of the Auditor for the year ended 28 February 2017.
2. To declare a final dividend of 13.0 HK cents per share.
3. To re-elect Mr. Sham Kar Wai as a Director of the Company.
4. To re-elect Mr. Mak Wing Sum, Alvin as a Director of the Company.
5. To re-elect Mr. Francis Goutenmacher as a Director of the Company.
6. To re-elect Dr. Wong Tin Yau, Kelvin, JP as a Director of the Company.
7. To authorize the Board to fix the remuneration of the Directors.
8. To re-appoint Auditor and to authorise the Board to fix their remuneration.

and as special business, to consider and, if thought fit, to pass with or without modifications, the following resolutions (9) to (13) as ordinary resolutions:

9. **“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 number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF THE 2017 ANNUAL GENERAL MEETING

- (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
 - (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.”

10. **“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 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 number of shares 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 number of issued shares of the Company as at the date of passing of this resolution and this approval shall be limited accordingly; and

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(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;
- (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).”

11. “**THAT** conditional upon the passing of resolutions nos. 9 and 10 set out in the notice convening this meeting, the general mandate referred to in resolution no. 10 above be and is hereby extended by the addition to the aggregate number 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 number of shares purchased by the Company pursuant to the mandate referred to in resolution no. 9 above, provided that such amount shall not exceed 10% of the number of issued shares of the Company as at the date of passing of this resolution.”
12. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the shares of the Company to be allotted and issued pursuant to the exercise of options which may be granted under the new share option scheme of the Company (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 that any director of the Company be and is hereby authorized 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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13. “**THAT** subject to and conditional upon the passing of Ordinary Resolution No.12 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 30 June 2008 (“Existing Share Option Scheme”) 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 but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect)”.

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

Hong Kong, 14 June 2017

Notes:

1. Each of the resolutions set out in the above notice will be put to the vote by way of a poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
2. Any shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. 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 Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, 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 shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 9 August 2017 to Tuesday, 15 August 2017, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the right to attend and vote 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 Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 8 August 2017.
5. The register of members of the Company will be closed on Monday, 21 August 2017 and no transfer of shares of the Company will be registered on that day. Upon the passing of resolution no. 2 set out in the above notice, to qualify for entitling the receipt of the final dividend, 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 Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 18 August 2017.
6. A circular to shareholders dated 14 June 2017 containing an explanatory statement as required by the Listing Rules in connection with the proposed buyback mandate under the resolution no. 9 set out in the above notice will be despatched to shareholders together with the 2016/17 Annual Report of the Company.

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7. Where there are joint holders of any shares in the Company, any one of such joint holders may vote at the above meeting, either in person or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
8. Shareholders should be made aware of the role of the Auditor and the limitations and its role at the above meeting:
- (a) The auditor conducts an audit in accordance with Hong Kong Standards on Auditing.
 - (b) The auditor is not responsible for the preparation of the financial statements that give a true and fair view. This is the responsibility of those charged with governance.
 - (c) The auditor provides reasonable, but not absolute, assurance that the financial statements taken as a whole are free from material misstatement.
 - (d) The objective of an audit for financial statements is to enable the auditor to express an opinion as to whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework, such as Hong Kong Financial Reporting Standards, and the disclosure requirements of Hong Kong Companies Ordinance.
 - (e) The audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements.
 - (f) The auditor determines the procedures required to conduct an audit in accordance with Hong Kong Standards on Auditing, having regard to the requirements of these Standards.
 - (g) The auditor exercises professional judgement in selecting audit procedures to be performed. Audit procedures include the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making such risk assessments, the auditor considers internal controls relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
 - (h) The auditor's report does not provide assurance in relation to individual elements of the financial statements, or other aspects of operations such as the adequacy of the Company's systems of internal control or the selection of accounting policies.
 - (i) The responsibility for safeguarding assets and for prevention and detection of fraud, error and non-compliance with law or regulation rests with the directors and those charged with governance. An auditor should not be relied upon to disclose all material misstatements or frauds, errors or instances of non-compliance with laws or regulations.
 - (j) The audit report, including the opinion, has been prepared for and only for shareholders, as a body and for no other purpose. The auditor does not assume responsibility towards or accept liability to any other person for the contents of the audit report. Notwithstanding any answers the auditor gives or statements the auditor makes at the above meeting, the auditor shall not have any liability, responsibility or duty of care towards any individual shareholders or third parties.