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(Incorporated in Bermuda with limited liability)

(Stock Code: 999)

**DISCLOSEABLE TRANSACTION -
ACQUISITION OF 10.9% EQUITY INTEREST
IN ACNE STUDIOS HOLDING AB**

THE ACQUISITION

The Board is pleased to announce that on 22 December 2018, Buyer A (an indirect wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement with, among others, the Sellers in relation to the sale and purchase of shares, representing 10.9% of the issued share capital of Acne Studios as at the date of this announcement at the Purchase Price. The Company has committed to fund the Purchase Price. Buyer B is another purchaser under the Share Purchase Agreement and it will purchase an additional number of shares representing an additional stake of up to 30.1% of the issued share capital of Acne Studios as at the date of this announcement. Completion of purchases by Buyer A and Buyer B are expected to take place at the same time.

Upon the Completion, the Company will be interested in 10.9% of the issued share capital of Acne Studios and the financial results of Acne Studios Group will not be consolidated into those of the Group.

Acne Studios Group operates men's and women's ready-to-wear fashion, footwear, accessories and denim retail and wholesale business under the brand name of "Acne Studios" in various countries.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Acquisition is subject to the fulfillment of the condition precedents set out in the Share Purchase Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.

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Upon the Completion, the Company will be interested in 10.9% of the issued share capital of Acne Studios and the financial results of Acne Studios Group will not be consolidated into those of the Group.

THE SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are summarized below:-

Date: : 22 December 2018

Sellers: : Founders, Management and Financial Sellers

Buyers: : Buyer A and Buyer B

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sellers and Buyer B and, where such Seller is a corporation, their respective beneficial owners, is an Independent Third Party.

Interests to be acquired by Buyer A

375,069 shares in the issued share capital of Acne Studios, representing 10.9% of the issued share capital of Acne Studios.

For details of Acne Studios Group, please refer to the section headed "Information of Acne Studios Group".

Interests to be acquired by Buyer B

Buyer B has also conditionally agreed to acquire up to 30.1% of the issued share capital of Acne Studios, subject to certain regulatory approval to be obtained by Buyer B or its associated fund. If Buyer B has not received (or waived in writing) such regulatory approval on or before the Longstop Date, Buyer B will acquire a smaller number of shares, representing no less than 25.1% of the issued share capital of Acne Studios, and the parties to the Share Purchase Agreement shall proceed to Completion in accordance with the terms of the Share Purchase Agreement.

Purchase Price

The Purchase Price payable by Buyer A for its 10.9% interest in Acne Studios is expected to be SEK486,341,168 (approximately HK\$423,116,816) if Completion takes place on the Longstop Date. Such amount could be reduced if Completion occurs prior to the Longstop Date or there has been any cash payment from Acne Studios, other than those amounts agreed. The purchase price per Sale Share payable by Buyer A and Buyer B is the same.

The principles of determining the Purchase Price were arrived at after arm's length negotiations among the Buyers and the Sellers on commercial terms having regard to the assets and liabilities, cashflow and business and prospects of Acne Studios Group.

The Purchase Price payable by Buyer A will be funded by the Group's cash reserves and/or external bank borrowing.

Conditions precedent

Completion shall be conditional upon:-

- (a) each Seller having performed or complied in all material respects with its/his/her obligations in relation to the conduct of the business of Acne Studios Group under the Share Purchase Agreement, during the period from signing to Closing; and
- (b) each of the warranties relating to corporate authorizations and non-contravention, title and incorporation and capitalization relating to Acne Studios Group given by each Seller being true and correct in all material respects and no Material Adverse Effect having occurred in each case on and as of Completion.

If the above conditions precedent are not satisfied on the Closing Date, each Buyer shall have the right to terminate the Share Purchase Agreement with immediate effect on the Closing Date by giving a written notice of termination to the other parties to the Share Purchase Agreement.

Completion

The Completion will take place on the Closing Date.

The Buyers shall not be required to complete the purchase of any Shares unless certain principal Sellers complete the sale of all the Sale Shares to be sold by these principal Sellers simultaneously.

Immediately upon the Completion, the Founders, Buyer A, Buyer B and the Management will hold an aggregate of 100% of the issued share capital of Acne Studios and such shareholders have entered into a shareholders' agreement regarding their ownership and governance of Acne Studios simultaneously with the Share Purchase Agreement, which will be automatically effective as from the Completion; provided, however, that in case Buyer B has not obtained (or waived in writing) the regulatory approvals mentioned above, certain Financial Sellers will remain as shareholders and will, in such a case, the Founders, Buyer A, Buyer B, the Management and Financial Sellers will enter into another shareholders' agreement to replace the current shareholders' agreement.

As the Company will be interested in 10.9% of issued share capital of Acne Studios upon the Completion, the financial information of Acne Studios Group will not be consolidated into the financial statements of the Group.

INFORMATION OF ACNE STUDIOS GROUP

Acne Studios is a company duly incorporated in Sweden. The principal business of Acne Studios Group includes men’s and women’s ready-to-wear fashion, footwear, accessories and denim retail and wholesale business under the brand name of “Acne Studios” in various countries.

Based on the audited consolidated financial statements of Acne Studios Group prepared in accordance with the Accounting Principles:

- (a) the financial information of Acne Studios Group for the two financial years ended 31 August 2017 and 2018 was:-

	For the financial year ended 31 August ('000)	
	2018	2017
Net profit (before taxation and extraordinary items)	SEK247,467 (equivalent to approximately HK\$215,296)	SEK236,594 (equivalent to approximately HK\$205,837)
Net profit (after taxation and extraordinary items)	SEK165,330 (equivalent to approximately HK\$143,837)	SEK169,909 (equivalent to approximately HK\$147,821)

- (b) the audited net asset value of Acne Studios Group as at 31 August 2018 was approximately SEK654,140,000 (equivalent to approximately HK\$569,101,800).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the retailing and trading of fashion wears and accessories. The Group has an extensive self-managed retail network extending to approximately 800 stores worldwide with around 7,000 staff.

“Acne Studios” is owned by Acne Studios, which is a fashion house based in Stockholm, Sweden specialized in men’s and women’s ready-to-wear fashion, footwear, accessories and denim. The Board considers that the Group has been a long-term wholesale partner with Acne Studios, the Acquisition will further strengthen the partnership between the two groups. Management of Acne Studios will have the opportunity to leverage on the Company’s strong expertise in the retail sector, particularly across the Greater China region.

The Company will not participate in the daily management of Acne Studios Group. Subject to the Completion (upon which the shareholders' agreement among the shareholders of Acne Studios will become automatically effective as from the Completion), the Company will be entitled to nominate a director and a non-voting observer to Acne Studios' board of directors to monitor the performance and participate in the decision of the strategic development of Acne Studios Group.

The Board believes that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Acquisition is subject to the fulfillment of the condition precedents as set out in the Share Purchase Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Accounting Principles”	the generally accepted accounting principles, methods, practices, policies and procedures consistently applied by Acne Studios Group during the past three years prior to 31 August 2018, to prepare their statutory accounts and the consolidated accounts (including the accounts as at 31 August 2018), as further specified in the accounts as at 31 August 2018, in each case to the extent consistent with BFRNAR 2012:1 (K3) and the Swedish Annual Accounts Act
“Acne Studios”	Acne Studios Holding AB, a company duly incorporated in Sweden
“Acne Studios Group”	Acne Studios Holding AB and its subsidiaries
“Acquisition”	the acquisition of 10.9% of the issued share capital of Acne Studios by Buyer A pursuant to the Share Purchase Agreement
“Board”	the board of Directors

“Business Day”	any day (except a Saturday or a Sunday or public holiday) on which the clearing banks in Stockholm, Sweden, the PRC and Hong Kong are open for general banking business
“Buyer A”	Legend Grace International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Buyer B”	a company incorporated in the British Virgin Islands with limited liability and a direct controlled subsidiary of IDG China Capital Fund III L.P., which is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, an Independent Third Party
“Buyers”	collectively, Buyer A and Buyer B and each individually referred to as a “Buyer”
“Closing Date”	the earlier of (i) the date falling fifteen (15) Business Days after certain regulatory approval having been received (or waived in writing by Buyer B) and (ii) the Longstop Date (or, in the event that the Longstop Date is not a Business Day, the first Business Day thereafter); or such other date agreed between the Buyers and the representative of the Sellers in writing
“Company”	I.T Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Financial Sellers”	six (6) existing shareholders of Acne Studios which comprise businessmen and financial investors, all of which are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Independent Third Parties, and where such Seller is a corporation, their respective beneficial owners, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are also Independent Third Parties

“Founders”	two (2) businessmen and citizens of Sweden, who are the founders of Acne Studios (selling the Sale Shares personally or through their corporate interests) and, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Independent Third Parties
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party that is independent of the Company and its connected persons
“Longstop Date”	22 June 2019, which is the date falling six (6) months after the date of signing of the Share Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management”	certain management staff of Acne Studios Group, who are collectively holding, personally or through corporate interests, 3.97% of the issued share capital of Acne Studios as at the date of this announcement
“Material Adverse Effect”	a breach of any of the warranties in the Share Purchase Agreement which, individually or together with any other breach(es) of the said warranties, has resulted in or would reasonably be expected to result in any aggregate damages, costs, expenses and/or loss of profits for Acne Studios Group or an aggregate diminution of value of all of the Sale Shares in excess of US\$20 million
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement only, Hong Kong, Macau and Taiwan
“Purchase Price”	the aggregate purchase price payable by Buyer A for the 375,069 shares, representing 10.9% of the issued share capital of Acne Studios as at the date of this announcement

“Sale Share(s)”	share(s) in the issued share capital of Acne Studios to be sold to Buyer A and Buyer B under the Share Purchase Agreement
“Seller Group Member”	with respect to a Seller, each of such Seller and its/his affiliates from time to time (other than the companies of Acne Studios Group) and each of their respective directors, officers, managers, members, equity holders, assigns or successors
“Sellers”	collectively, the Founders, Management and the Financial Sellers and each individually referred to as a “Seller”
“Share Purchase Agreement”	the share purchase agreement dated 22 December 2018 entered into among Buyer A, Buyer B and the Sellers in relation to the sale and purchase of up to 1,410,810 Sale Shares in aggregate
“Shareholders”	holder(s) of the issued shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“SEK”	Swedish Krona, the lawful currency of Sweden
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent

Note: For the purpose of illustration only, SEK is translated to HK\$ at the rate of SEK1.00 to HK\$0.87.

By Order of the Board
I.T Limited
Sham Kar Wai
Chairman

Hong Kong, 23 December 2018

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.