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

**UNAUDITED FY20/21 THIRD QUARTER TRADING UPDATE  
FOR THE THREE MONTHS ENDED 30 NOVEMBER 2020**

This announcement is made by I.T Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to present the selected unaudited financial information of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 November 2020 (the “**Third Quarter**”) and nine months ended 30 November 2020:

**Same-store-sales-growth (in their respective local currencies) – key operating markets:**

<b>3 months ended 30 November 2020</b>	<b>YOY change</b>
Hong Kong & Macau	-23.5%
Mainland China	+5.1%
Japan & the USA	-36.8%

<b>9 months ended 30 November 2020</b>	<b>YOY change</b>
Hong Kong & Macau	-42.0%
Mainland China	-3.9%
Japan & the USA	-48.0%

**Gross profit margin (Note) – key operating markets:**

	<b>3 months ended 30 November 2020</b>	<b>YOY change</b>
Hong Kong & Macau	56.4%	-2.2%pt
Mainland China	61.7%	+0.2%pt
Japan & the USA	62.8%	-6.7%pt
<b>Group</b>	<b>61.1%</b>	<b>-1.2%pt</b>

	<b>9 months ended 30 November 2020</b>	<b>YOY change</b>
Hong Kong & Macau	50.8%	-7.9%pt
Mainland China	57.8%	-3.6%pt
Japan & the USA	61.5%	-8.9%pt
<b>Group</b>	<b>57.1%</b>	<b>-5.1%pt</b>

*Note: Gross profit margin represents gross profit divided by revenue for the respective periods.*

Our sales performance was severely affected by the COVID-19 situation over the period. The decline in same-store-sales-growth in most markets was primarily a result of COVID-19 related restrictions and decline in inbound tourism. Our Mainland China region has seen positive same-store-sales growth in the Third Quarter after a gradual recovery from the public health crisis during the period.

Gross profit margins decreased in the Third Quarter when compared with the corresponding period in 2019 but improved compared with the first two quarters of this financial year (other than the gross profit margin for the Japan & the USA segment which deteriorated). The year-on-year decrease in gross profit margins was principally due to the extra discount-related promotions that we have offered during the period to boost sales.

As a result of the overall market conditions caused by the COVID-19 pandemic and its continuous adverse impact on the short-term to long-term economy, the Group recognised non-cash impairment of non-financial assets of HK\$119.8 million for the Hong Kong & Macau segment in its unaudited consolidated management accounts for the Third Quarter. Together with the non-cash impairment of non-financial assets of HK\$200.7 million recognised during the six months ended 31 August 2020, the Group recognised non-cash impairment of non-financial assets of HK\$320.5 million in total during the nine months ended 30 November 2020. No such impairments were recognised during the three months ended 30 November 2019.

## IMPLICATIONS UNDER THE TAKEOVERS CODE

Reference is made to the announcement jointly issued by Brooklyn Investment Limited (the “**Offeror**”) and the Company dated 6 December 2020 (the “**Rule 3.5 Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act of Bermuda. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.5 Announcement.

This announcement is made after the commencement of the offer period (as defined under the Takeovers Code) in respect of the Proposal. Pursuant to Rule 10 of the Takeovers Code, the unaudited gross profit margins for the three months and nine months ended 30 November 2020 as stated in this announcement constitute a profit estimate (the “**Profit Estimate**”) which must be reported on by the Company’s financial adviser and its auditors or consultant accountants in accordance with the Takeovers Code.

The Profit Estimate has been reported on by PricewaterhouseCoopers, the auditor of the Company, and Challenge Capital Management Limited and China Tonghai Capital Limited, the joint independent financial advisers (the “**Joint Independent Financial Advisers**”) to the Independent Board Committee.

PricewaterhouseCoopers has reported that, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 29 February 2020 and the unaudited condensed consolidated interim financial information of the Group for the six months ended 31 August 2020. PricewaterhouseCoopers has conducted their engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA.

The Joint Independent Financial Advisers have reviewed the Profit Estimate and discussed the bases of the Profit Estimate with the senior management of the Company, and are of the opinion that the Profit Estimate has been made with due care and consideration.

The letters issued by PricewaterhouseCoopers and the Joint Independent Financial Advisers are set out in Appendix I and Appendix II to this announcement, respectively.

Each of PricewaterhouseCoopers and the Joint Independent Financial Advisers has given and has not withdrawn their consent to the issue of this announcement with the inclusion of its letter and references to use its name in the form and context in which they appear in this announcement.

## **BASIS OF PREPARATION**

The Profit Estimate was prepared based on the unaudited consolidated management accounts of the Group for the nine months ended 30 November 2020 and the three months ended 30 November 2020, and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 29 February 2020 and the unaudited condensed consolidated interim financial information of the Group for the six months ended 31 August 2020. No assumptions were involved in the making of the Profit Estimate as the Profit Estimate relates to periods which have already ended.

## **WARNINGS**

The Board would like to remind Shareholders and potential investors that the above trading update is compiled based on the Company's internal records and management accounts for the three months and nine months ended 30 November 2020, which have not been reviewed or audited by the auditor of the Company. The Profit Estimate has been reported on in accordance with Rule 10 of the Takeovers Code but has not been audited by the auditor of the Company. **Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

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

Hong Kong, 26 February 2021

*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. Tsang Hin Fun, Anthony as Independent Non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

## APPENDIX I – LETTER ISSUED BY PRICEWATERHOUSECOOPERS



羅兵咸永道

The Board of Directors  
I.T Limited  
31/F, Tower A, Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Hong Kong

26 February 2021

Dear Sirs,

**I.T Limited (the “Company”)**

### **Profit Estimate for the Three Months and Nine Months Ended 30 November 2020**

We refer to the following profit estimate set out in the announcement dated 26 February 2021 (the “**Announcement**”) issued by the Company in connection with the unaudited third quarter trading update for the three months and nine months ended 30 November 2020.

The unaudited figure of the Company and its subsidiaries (collectively referred to as the “**Group**”) set out below (the “**Trading Update Profit Estimate**”) is extracted from the Announcement:

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

	<b>3 months ended 30 November 2020</b>
Hong Kong & Macau	56.4%
Mainland China	61.7%
Japan & the USA	62.8%
<b>Group</b>	<b>61.1%</b>

	<b>9 months ended 30 November 2020</b>
Hong Kong & Macau	50.8%
Mainland China	57.8%
Japan & the USA	61.5%
<b>Group</b>	<b>57.1%</b>

## **Directors' Responsibilities**

The Trading Update Profit Estimate has been prepared by the directors of the Company (the “**Directors**”) based on the unaudited management accounts of the Group for the three months and nine months ended 30 November 2020.

The Directors are solely responsible for the Trading Update Profit Estimate.

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Auditor's Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Trading Update Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Trading Update Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Trading Update Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

## **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Trading Update Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the Announcement and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 29 February 2020 and the unaudited condensed consolidated interim financial information of the Group for the six months ended 31 August 2020.

Yours faithfully,

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong

## APPENDIX II – LETTER ISSUED BY THE JOINT INDEPENDENT FINANCIAL ADVISERS



The Board of Directors  
I.T Limited  
31/F, Tower A, Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Hong Kong

26 February 2021

Dear Sirs,

### I.T Limited (the “Company”)

We refer to the information in relation to the Trading Update Profit Estimate (as defined below) set out in the announcement dated 26 February 2021 (the “**Announcement**”) issued by the Company in connection with the unaudited third quarter trading update for the three months and nine months ended 30 November 2020. Capitalised terms used in this letter shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The unaudited gross profit margins for the three months and nine months ended 30 November 2020 as extracted from the Announcement are set out below:

### Gross profit margin – key operating markets:

	<b>3 months ended 30 November 2020</b>
Hong Kong & Macau	56.4%
Mainland China	61.7%
Japan & the USA	62.8%
<b>Group</b>	<b>61.1%</b>

	<b>9 months ended 30 November 2020</b>
Hong Kong & Macau	50.8%
Mainland China	57.8%
Japan & the USA	61.5%
<b>Group</b>	<b>57.1%</b>



The aforesaid unaudited gross profit margins are regarded as a profit estimate (the “**Trading Update Profit Estimate**”) under Rule 10 of the Takeovers Code and, therefore, is required to be reported on by the Company’s financial adviser and its auditors or consultant accountants. This letter is issued in compliance with the requirement under Rule 10 of the Takeovers Code.

The Directors are solely responsible for the Trading Update Profit Estimate. The Trading Update Profit Estimate has been prepared based on the unaudited consolidated management accounts of the Group for the three months and nine months ended 30 November 2020. We have reviewed the Trading Update Profit Estimate and discussed the bases of the Trading Update Profit Estimate with the senior management of the Company. Furthermore, we have considered, and relied upon, the letter addressed to the Board of Directors dated 26 February 2021 from PricewaterhouseCoopers, the reporting accountant of the Company, regarding the accounting policies and calculations upon which the Trading Update Profit Estimate has been made which states that, so far as the accounting policies and calculations are concerned, the Trading Update Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the year ended 29 February 2020 and the unaudited condensed consolidated interim financial information of the Group for the six months ended 31 August 2020.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with the senior management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects as at the date hereof. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have not assumed any responsibility for independently verifying the accuracy and completeness of such information or undertaken any independent evaluation or appraisal of any of the assets or liabilities of the Company, its subsidiaries, associates and/or joint ventures. Save as provided in this letter, we do not express any other opinion or views on the Trading Update Profit Estimate. The Directors remain solely responsible for the Trading Update Profit Estimate. This letter is provided to the Board solely for the purpose of complying with Rule 10 of the Takeovers Code and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to and may not be relied upon by any third party for any purpose whatsoever and we expressly disclaim any duty or liability to any third party with respect to the contents of this letter.

On the basis of the foregoing, we are of the opinion that the Trading Update Profit Estimate, for which the Directors are solely responsible, has been made with due care and consideration.

Yours faithfully,

For and on behalf of

**Challenge Capital Management Limited**

**Jackson Woo**

*Managing Director*

For and on behalf of

**China Tonghai Capital Limited**

**Benny Chung**

*Chief Executive Officer*

**Noelle Hung**

*Managing Director*