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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)



i100 Limited

(Incorporated in Bermuda with limited liability)

**Discloseable transaction and
connected transaction**

JOINT ANNOUNCEMENT

**Acquisition of Shares in i100 Limited
by Landmark Profits Limited (a wholly-owned subsidiary of
Easyknit International Holdings Limited)**

**Mandatory unconditional cash offer by Altus Capital Limited
on behalf of
Landmark Profits Limited
for all the issued Shares and outstanding Options to subscribe for Shares
in i100 Limited
(other than those Shares in i100 Limited already owned and/or agreed to be acquired by
Landmark Profits Limited or parties acting in concert with it)
and
Granting of a loan by Planetic International Limited to i100 Limited**

Financial adviser to Easyknit International Holdings Limited

Altus Capital Limited

Joint independent financial advisers to the independent board committee of i100 Limited

Barits Securities (Hong Kong) Limited

CSC Asia Limited

The board of directors of i100 noted the recent increase in the price of the Shares and wishes to state that it is not aware of any reason for such increase save as described herein below.

The respective boards of directors of Easyknit and i100 announce that on 24th January, 2003, Landmark Profits, a wholly-owned subsidiary of Easyknit, has entered into the Sale and Purchase Agreement with, amongst other parties, the Vendors, pursuant to which Landmark Profits agreed to purchase and the Vendors agreed to sell 609,000,000 Shares for an aggregate consideration of HK\$6.09 million (equivalent to HK\$0.01 per Share). The Sale Shares represented approximately 55.27 per cent. of the entire issued share capital of i100 as at the date of this announcement.

Completion took place on 28th January, 2003. Upon Completion, Landmark Profits was required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares and all outstanding Options not already owned or agreed to be acquired by it or parties acting in concert with it.

The terms of the Offers are set out in the section headed “Mandatory unconditional cash offer” below. Altus Capital is satisfied that there are sufficient financial resources available to Landmark Profits to satisfy full acceptance of the Offers.

At Completion, Easyknit procured the grant of the Loan by Planetic International Limited, a subsidiary of Easyknit, amounting to HK\$30.27 million, to i100 for the sole purpose of subscribing shares in Copplestone Limited, a wholly owned subsidiary of i100, in accordance with the Loan Facility Letter, and the subscription money will be used as working capital of the i100 Group. The granting of the Loan constitutes a connected transaction for Easyknit under the Listing Rules. Easyknit will disclose certain information relating to the Loan in its next published report and account as required under Rule 14.25 (2)(a) of the Listing Rules.

Landmark Profits is required to despatch, within 21 days after the release of this announcement or such later date as the Executive may approve, the offer document containing the conditions and terms of the Offers to the shareholders of i100 and the Optionholders. i100 will establish an independent board committee to advise the independent shareholders of i100 and will send a circular to the shareholders of i100 and the Optionholders in relation to the Offers in accordance with the Takeovers Code. i100 has appointed Barits Securities (Hong Kong) Limited and CSC Asia Limited as the joint independent financial advisers to the independent board committee of i100 to advise on the fairness and reasonableness of the terms of the Offers.

The entering into of the Sale and Purchase Agreement and the making of the Offers constitute a discloseable transaction for Easyknit under the Listing Rules. A circular containing, among other things, further information on the Sale and Purchase Agreement, the Offers and the granting of the Loan, will be despatched to the shareholders of Easyknit as soon as practicable.

Trading in the shares of i100 and Easyknit on the Stock Exchange were suspended with effect from 9:30 a.m. on 23rd January, 2003 and 9:36 a.m. on 27th January, 2003 respectively. Applications have been made by Easyknit and i100 for the resumption of trading of shares of Easyknit and i100 respectively on the Stock Exchange with effect from 9:30 a.m. on 7th February, 2003.

The board of directors of i100 noted the recent increase in the price of the Shares and wishes to state that, save for the following, it is not aware of any reason for such increase.

THE SALE AND PURCHASE AGREEMENT

Date: 24th January, 2003

Vendors: Asia Pacific Growth Fund III, L.P.*, i100 Capital Corporation and i100 Holdings Corporation (all being independent third parties not connected with Easyknit, the directors, chief executive and substantial shareholders of Easyknit, its subsidiaries or any of their respective associates as defined in the Listing Rules and are not acting in concert with Easyknit)

Purchaser: Landmark Profits, a wholly-owned subsidiary of Easyknit

Vendor guarantors: Mr. Cheuk Ho Yeung Gerald, Mr. Kan Siu Kei Laurie and Mr. Vong Tat Ieong David, all of whom are executive directors of i100 who together hold the entire beneficial interests in i100 Holdings Corporation and approximately 30.6 per cent. beneficial interests in i100 Capital Corporation ("Vendor Guarantors")

Purchaser guarantor: Easyknit

** The investors in Asia Pacific Growth Fund III, L.P. include government institutions and corporations.*

Sale Shares

The Sales Shares comprise 609,000,000 Shares, representing approximately 55.27 per cent. of the entire issued share capital of i100 as at the date of this announcement. Pursuant to the Sale and Purchase Agreement, i100 agreed not to issue any Shares or other securities or rights to acquire Shares or other securities, save for the issue of the Shares pursuant to the exercise of the outstanding Options and in compliance with the Takeovers Code. The Sale Shares acquired by Landmark Profits are free from all interest or equity of any person or any mortgage, charge, pledge, lien, hypothecation or other security interest.

Consideration

The Consideration is HK\$6.09 million (equivalent to HK\$0.01 per Share), and was negotiated and determined on arm's length basis. The purchase price of HK\$0.01 per Share represents a discount of approximately 81.8 per cent. to the closing price of HK\$0.055 per Share quoted on the Stock Exchange prior to the suspension of trading in the Shares on 22nd January, 2003 and a discount of approximately 79.3 per cent. to the average closing price of approximately HK\$0.0484 per Share for the 10 trading days up to and including 22nd January, 2003.

Payment terms

The Consideration has been paid in full in cash by Landmark Profits to the Vendors at Completion.

The above payment terms were agreed upon after arm's length commercial negotiations between Landmark Profits and the Vendors. The Consideration was financed by bank borrowing.

Completion took place on 28th January, 2003. The aggregate sum paid and payable by Easyknit for the Acquisition (HK\$6,090,000), the Offers (HK\$4,932,551) (assuming full acceptance of the Offers) and the Loan (HK\$30,270,000), which amounts to approximately HK\$41.3 million, will be financed by bank borrowing.

MANDATORY UNCONDITIONAL CASH OFFER

Share Offer

After Completion, Easyknit, through Landmark Profits, owned an aggregate of 609,000,000 Shares, representing approximately 55.27 per cent. of the issued share capital of i100. Save as disclosed above, none of connected persons of Easyknit are shareholders of i100. Under Rule 26.1 of the Takeovers Code, Landmark Profits is required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by it or parties acting in concert with it. Currently, there are 1,101,873,000 Shares in issue. Accordingly, apart from the aforesaid 609,000,000 Shares, the remaining 492,873,000 Shares will be subject to the Share Offer.

The Share Offer will be made on the terms set out below.

Principal terms of the Share Offer

Altus Capital, on behalf of Landmark Profits, will make a mandatory unconditional cash offer on the following basis:

for each Share HK\$0.01 in cash

Comparison of value

The offer price of HK\$0.01 per Share is the same as the price paid by Landmark Profits to the Vendors for each Sale Share under the Sale and Purchase Agreement. The offer price of HK\$0.01 per Share represents:

- (a) a discount of approximately 81.8 per cent. to the closing price of HK\$0.055 per Share quoted on the Stock Exchange prior to the suspension of trading in the Shares on 22nd January, 2003;
- (b) a discount of approximately 79.3 per cent. to the average closing price of approximately HK\$0.0484 per Share for the 10 trading days up to and including 22nd January, 2003; and
- (c) a discount of approximately 89.5 per cent. to the unaudited net asset value per Share of approximately HK\$0.095 as at 30th June, 2002 based on the unaudited interim results of i100 for the six months ended 30th June, 2002.

Highest and lowest prices

During the six months period preceding the date of this announcement, the highest and lowest closing prices of the Shares on the Stock Exchange were HK\$0.136 per Share on 28th October, 2002 and HK\$0.04 per Share on 17th January, 2003 respectively.

Total consideration

As at the date of this announcement, there are 1,101,873,000 Shares in issue. At a price of HK\$0.01 per Share, the entire issued share capital of i100 is valued at approximately HK\$11.02 million under the Share Offer.

Option Offer

As at the date of this announcement, there are outstanding Options granted by i100 to a director (Mr. Cheuk Ho Yeung Gerald who is one of the Vendor Guarantors), management and employees of i100 to subscribe for a total of 38,208,000 Shares at exercise prices ranging from HK\$0.385 per Share to HK\$0.75 per Share.

Save for the Options, i100 has no outstanding equity securities (including equity related convertible securities, warrants, options or subscription rights in respect of any equity share capital) in issue as at the date of this announcement.

Principal terms of the Option Offer

Altus Capital, on behalf of Landmark Profits, will make an Option Offer to all of the Optionholders for the surrender of their Options for cancellation on the following basis:

for each Option an amount payable in cash equal to HK\$0.0001 multiplied by the number of Shares which may be subscribed for under the Option

Total consideration

On the basis of the price of the Option Offer of an amount payable in cash equal to HK\$0.0001 multiplied by the number of Shares which may be subscribed for upon exercise in full of the Options, the outstanding Options are valued at approximately HK\$3,821.

Financial resources

Altus Capital is satisfied that there are sufficient financial resources available to Landmark Profits to satisfy full acceptance of the Offers.

Effect of accepting the Offers

The Shares and the Options acquired under the Offers will be acquired free from all claims, equities, third party rights, liens, charges and encumbrances and together with all rights attaching thereto, including, in respect of the Shares, the rights to receive all dividends and distributions declared, paid or made after the close of the Offers.

Stamp duty

Sellers' ad valorem stamp duty at the rate of HK\$1.00 per every HK\$1,000 or part thereof of the consideration arising on acceptance of the Share Offer and the transfer of the Shares will be payable by the relevant shareholders of i100 and such amounts will be deducted from the consideration paid to the relevant shareholders.

INFORMATION ON i100

i100, previously known as Acme Landis Holdings Limited, was listed on the Stock Exchange in 1991. The i100 Group is principally engaged in the provision of a branded wireless data service. It also invests in and operates information technology companies through a network of divisions incorporating a digital solutions provider, a multimedia enabler, a publishing and content management solutions provider, an on-line expert site, a vertical trading platform and other strategic investments in optical networking. Based on i100's audited financial results, it recorded a loss before tax and minority interests of approximately HK\$130.1 million and HK\$119.3 million respectively for the two financial years ended 31st December, 2001. The net loss after tax and minority interests attributable to shareholders were approximately HK\$132.6 million (20.3 cents per Share) and HK\$118.5 million (11.8 cents per Share) respectively for the two financial years ended 31st December, 2001. For the six months ended 30th June, 2002, i100 recorded unaudited loss before tax and minority interests and unaudited net loss after tax and minority interests attributable to shareholders of approximately HK\$106.7 million and HK\$106.8 million (10.5 cents per Share). i100 had unaudited net assets of approximately HK\$96.2 million (9.5 cents per Share) as at 30th June, 2002. As at 31st December, 2000, 31st December, 2001 and 30th June, 2002, i100 recorded cash and cash equivalent of approximately HK\$116.5 million, HK\$32.8 million and HK\$31.9 million respectively. A top-up placement of Shares was conducted on 4th June, 2002 and the net proceeds amounted to approximately HK\$29 million. The net proceeds were used for the development in wireless data service and as general working capital.

Prior to Completion, the Vendors (and any party acting in concert with them) in aggregate had a shareholding interest of approximately 55.27 per cent. in i100. The following table sets out the shareholding structure of i100 before and immediately after Completion:

	Before Completion		After Completion	
	No. of Shares	%	No. of Shares	%
Vendors (and any party acting in concert with them)	609,000,000	55.27	—	—
Easyknit through Landmark Profits (and any party acting in concert with them)	—	—	609,000,000	55.27
Public	<u>492,873,000</u>	<u>44.73</u>	<u>492,873,000</u>	<u>44.73</u>
Total	1,101,873,000	100.00	1,101,873,000	100.00

Save as disclosed in this announcement, after the Completion, none of the Vendors and parties acting in concert with them nor any of the existing directors of i100 own any interests in i100.

INFORMATION ON EASYKNIT AND LANDMARK PROFITS

Landmark Profits is an investment holding company incorporated in the British Virgin Islands on 8th January, 2003 and is beneficially wholly-owned by Easyknit. Other than the entering into of the Sale and Purchase Agreement, Landmark Profits has not conducted any business since its incorporation.

Easyknit Group commenced business in 1981 and the shares of Easyknit were listed on the Stock Exchange in January 1995. Its founders, Mr. Koon Wing Yee and his spouse, Ms. Lui Yuk Chu, through Magical Profits Limited, which is beneficially owned by the Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu, a Director, and members of her family), were interested in approximately 36.74 per cent. of the issued share capital of Easyknit. Easyknit and its directors and parties acting in concert with them are parties independent of, not acting in concert and not connected with i100, the respective directors, substantial shareholders or chief executive of i100, the Vendors or any of their respective subsidiaries and associates (as defined in the Listing Rules) and parties acting in concert with them.

None of Easyknit, Landmark Profits and parties acting in concert with any of them has dealt in any Shares during the period commencing on the date falling six months prior to the date of this announcement.

Easyknit Group is principally engaged in the sourcing and exporting of cotton-based knitted garments for women, children and infants, garment bleaching and dyeing and property investments. The directors of Easyknit consider that the acquisition of interests in i100 will diversify the Easyknit Group's business but will not otherwise affect the existing

business of the Easyknit Group. Easyknit had a market capitalisation of approximately HK\$99.7 million based on its closing price of HK\$0.113 per share on 24th January, 2003. Further information in relation to Easyknit will be contained in the document in relation to the Offers.

REASONS FOR THE ACQUISITION AND THE GRANTING OF THE LOAN AND FUTURE INTENTIONS OF EASYKNIT REGARDING i100

It is the intention of Easyknit that the existing principal activities of the i100 Group will remain unchanged immediately after the closing of the Offers. Easyknit has no intention to dispose of or re-deploy the assets of the i100 Group and has no intention of injecting assets into the i100 Group. Easyknit expects that the branded wireless data service of i100 which was launched in the second half of 2002 will lead to an improvement in the trading and business prospect of i100 in the future and that the Acquisition will diversify the income source of the Easyknit Group. Easyknit believes that the wireless markets will grow and considers that i100 has i) built a business platform; ii) obtained the necessary licence from the Office of the Telecommunications Authority to operate as a full service mobile operator using a Mobile Virtual Network Operator business structure in Hong Kong; and iii) executed contracts with several content and application partners. As such, Easyknit considers that the business model of i100 is sound and that even though i100 is under tight cash flow conditions, the injection of sufficient working capital will help i100 to overcome its current difficult environment. It intends to conduct a review of the i100 Group's existing position with a view of broadening and expanding the scope of business of the i100 Group. Easyknit intends to appoint three new directors to the board of directors of i100 and such appointments will take effect from the earliest date permitted under the Takeovers Code and the Listing Rules. Upon Completion, i100 became a non-wholly owned subsidiary of Easyknit.

Grant of the Loan

The i100 Group has been operating under tight cashflow conditions. As at 31st December, 2002, i100 had cash and cash equivalent of approximately HK\$1.4 million. Due to the business nature of i100 and the limited assets available to the i100 Group, it is difficult for the i100 Group to obtain bank loans. As such, at Completion, Easyknit, through its wholly-owned subsidiary, Planetic International Limited, made available to i100 the Loan. The entire amount of the Loan was deposited with the Escrow Agent at Completion and is expected to be released to i100 on the earlier of the date of despatch of the offer document relating to the Offers or 20 February 2003, subject to the terms of the Escrow Agreement. The Loan will be used by i100 for the sole purpose of subscribing shares in Copplestone Limited, a wholly owned subsidiary of i100, in accordance with the Loan Facility Letter, and the subscription money will be used as working capital of the i100 Group. The Loan has been made available on arm's length commercial terms and will be unsecured. Interest shall be payable on demand at prime rate and the Loan shall be repaid on demand. The directors (including the independent non-executive directors) of Easyknit consider that the Loan is on normal commercial terms and is fair and reasonable so far as Easyknit's shareholders are concerned. i100 currently has no borrowing or loan made by its existing directors or shareholders. After Completion, Easyknit indirectly owned 55.27% of i100 and i100 has become a non-wholly owned subsidiary of Easyknit, therefore, the granting of the Loan constitutes a connected transaction for Easyknit under the Listing Rules. As no connected

person of Easyknit is a shareholder of i100 and the granting of the financial assistance by Easyknit to i100 is on normal commercial terms, Easyknit is only required to disclose certain information relating to the Loan in its next published report and accounts pursuant to Rule 14.25 (2)(a) of the Listing Rules.

Based on the interim report of Easyknit, as at 30th June, 2002, the total borrowings of the Easyknit Group amounted to approximately HK\$242.9 million and the gearing ratio was approximately 46.2 per cent.. Assuming the aggregate sum paid and payable by Easyknit for the Acquisition (HK\$6,090,000), the Offers (HK\$4,932,551) (assuming full acceptance of the Offers) and the Loan (HK\$30,270,000) which amounts to an aggregate total of approximately HK\$41.3 million, the total borrowings of the Easyknit Group will increase to approximately HK\$284.2 million and the gearing ratio will increase to approximately 54.0 per cent.. The directors of Easyknit do not consider that the Acquisition, the Offers and the Loan will have any material adverse impact on the Easyknit Group's financial position.

MAINTAINING THE LISTING STATUS OF i100

Easyknit intends that i100 will remain listed on the Stock Exchange after the closing of the Offers. Each of Easyknit and the new directors to be appointed to the board of i100 will undertake to the Stock Exchange to take appropriate steps as soon as possible following the closing of the Offers to ensure that not less than 25 per cent. of the Shares will be held by the public, including:

- (a) arranging for the sale of the existing Shares by existing shareholders of i100 who are not regarded as members of the public for the purposes of the Listing Rules to persons who are independent of the chief executive, any directors (and any person intended to be appointed as a director) and substantial shareholders of i100 or its subsidiaries and i100's associates; and/or
- (b) such other steps as may be appropriate to restore the minimum percentage of securities of the Company held in public hands in accordance with the Listing Rules.

The Stock Exchange has stated that if less than 25 per cent. of the issued shares are in public hands following the completion of the Offers, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares. In this connection, it should be noted that upon the closing of the Offers, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

The Stock Exchange will also closely monitor all future acquisitions or disposals of assets by i100. The Stock Exchange has indicated that it has the discretion to require i100 to issue a circular to shareholders of i100 irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from

the principal activities of i100. The Stock Exchange also has the power to aggregate a series of transactions of i100 and any such transactions may result in i100 being treated as if it were a new listing applicant and subject to the requirements for new listing application as set out in the Listing Rules.

PROPOSED CHANGE OF BOARD COMPOSITION OF i100

According to the Sale and Purchase Agreement, the existing directors of i100 (excluding the independent non-executive directors), namely Mr. Cheuk Ho Yeung Gerald, Mr. Kan Siu Kei Laurie, Mr. Vong Tat Jeong, David and Mr. Ko Pil Jae Peter will resign and such resignations will take effect after the closing of the Offers in full compliance with Rule 7.1 of the Takeovers Code and, in respect of Mr. Cheuk Ho Yeung Gerald, Mr. Kan Siu Kei Laurie and Mr. Vong Tat Jeong, David, they have agreed not to resign as directors of i100 until the audited financial statements of i100 for the year ended 31st December, 2002 have been approved. It is intended that the existing independent non-executive directors of i100, namely Ms. Tsang Wai Chun Marianna and Mr. Wong Ying Wai Wilfred, will also resign after the closing of the Offers, subject to full compliance with Rule 7.1 of the Takeovers Code and that upon such resignation, new independent non-executive directors will be nominated to the board of i100 in compliance with the requirements under Rule 3.10 of the Listing Rules.

Easyknit intends to nominate the following persons as executive directors to the board of i100 and such appointments will take effect from the earliest date permitted under the Takeovers Code and the Listing Rules:

Mr. Koon Wing Yee, aged 46, is a co-founder of Easyknit Group and has been involved in the textiles industry for more than 25 years and is responsible for the overall management and development of the Easyknit Group. He was awarded a “Young Entrepreneur Award” in 1994 for his outstanding achievement as an entrepreneur.

Mr. Tsang Yiu Kai, aged 51, is responsible for the corporate affairs, finance and general management of the Easyknit Group. He is a fellow member of the Hong Kong Society of Accountants and the Association of Chartered Certified Accountants.

Ms. Lui Yuk Chu, aged 45, is a co-founder of Easyknit Group. She has been involved in the textiles industry for more than 25 years and has extensive experience in the design, manufacturing, marketing and distribution of the apparel business. She is the wife of Mr. Koon Wing Yee.

The aforesaid nominated persons as the new executive directors of i100 do not have expertise in the existing business of i100 Group, but they do have extensive experience in the administration and management of corporations. It is expected that the senior management of the i100 Group will remain with the i100 Group. New independent non-executive directors will be nominated to the board of i100 and further announcements will be made upon such appointment.

Apart from the above, Easyknit may, at an appropriate time, nominate additional new directors to the board of i100. A further announcement will be made upon such appointment.

GENERAL

Proposed Capital Reorganisation

A circular in relation to the Proposed Capital Reorganisation has been despatched to the shareholders of i100 on 16th January, 2003 and the Proposed Capital Reorganisation is subject to the approval of the shareholders of i100 at a special general meeting to be held on 7th February, 2003. The Proposed Capital Reorganisation, if approved, involves the reduction in the par value of each of the issued Shares from HK\$0.10 to HK\$0.01, the subdivision of each of the authorised but unissued Share into 10 new shares of i100 and the cancellation of the entire amount standing to the credit of the share premium account of i100. The Proposed Capital Reorganisation, if approved, will not have any effect on the terms of the Offers.

Offer document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the release of this announcement or such later date as the Executive may approve, Landmark Profits is required to despatch the offer document containing the conditions and terms of the Offers and form of acceptance and transfer to the shareholders of i100 and the Optionholders. Landmark Profits and i100 will use all reasonable endeavours to combine the aforesaid offer document with i100's board circular so that a composite document can be posted.

Discloseable transaction

The entering into of the Sale and Purchase Agreement and the making of the Offers constitute a discloseable transaction for Easyknit under the Listing Rules. Easyknit will despatch a circular containing further information on the Sale and Purchase Agreement, the Offers and the granting of the Loan to its shareholders for their information as soon as practicable.

Independent financial adviser to the independent board committee of i100

An independent board committee of i100 will be formed to consider the terms of the Offers. i100 has appointed Barits Securities (Hong Kong) Limited and CSC Asia Limited as the joint independent financial advisers to the independent board committee of i100 to advise on the fairness and reasonableness of the terms of the Offers.

Suspension and resumption of trading in shares of Easyknit and i100

Trading in the shares of i100 and Easyknit on the Stock Exchange were suspended with effect from 9:30 a.m. on 23rd January, 2003 and 9:36 a.m. on 27th January, 2003 respectively. Applications have been made by Easyknit and i100 for the resumption of trading of shares of Easyknit and i100 respectively on the Stock Exchange with effect from 9:30 a.m. on 7th February, 2003.

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of an aggregate of 609,000,000 Shares by Landmark Profits from the Vendors
“Altus Capital”	Altus Capital Limited, an investment adviser and a dealer registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong) and the financial advisers to Easyknit in relation to the Offers
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms which took place on 28th January, 2003
“Consideration”	HK\$6.09 million paid for the Sale Shares under the Sale and Purchase Agreement
“Easyknit”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange and in which Mr. Koon Wing Yee and his spouse, Ms. Lui Yuk Chu, through Magical Profits Limited, which is beneficially owned by the Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu, a Director, and members of her family which include her sons, Mr. Koon Chun Ting and Mr. Koon Chun Kit, and daughters, Ms. Koon Wai Yan and Ms. Koon Ho Yan), were interested in approximately 36.74 per cent.
“Easyknit Group”	Easyknit and its subsidiaries
“Escrow Agent”	Messrs Simmons & Simmons
“Escrow Agreement”	The agreement dated 24th January, 2003 and entered into between i100, Planetic International Limited and the Escrow Agent in relation to the escrow arrangements concerning the Loan
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“i100”	i100 Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“i100 Group”	i100 and its subsidiaries

“Landmark Profits”	Landmark Profits Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Easyknit
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility of HK\$30.27 million granted by Easyknit, through its wholly-owned subsidiary, Planetic International Limited, to i100 pursuant to the Loan Facility Letter
“Loan Facility Letter”	the loan facility letter dated 24th January, 2003 and entered into between Planetic International Limited and i100 in relation to the granting of the Loan
“Offers”	the Share Offer and the Option Offer
“Option(s)”	the outstanding option(s) granted by i100 to a director, management and employees of i100 to subscribe for Shares, pursuant to the share option schemes of i100 adopted on 21st August 1991, 22nd May, 2001 and 6th June 2002
“Option Offer”	the mandatory unconditional cash offer to be made after Completion by Altus Capital, on behalf of Landmark Profits, in accordance with the Takeovers Code to all the Optionholders to surrender their Options for cancellation at an amount equal to HK\$0.0001 multiplied by the number of Shares which may be subscribed for under the Options
“Optionholder(s)”	holder(s) of the Option(s)
“Proposed Capital Reorganisation”	the proposed capital reorganisation of i100 involving the reduction of the issued share capital, the subdivision of unissued shares, and the cancellation of share premium as set out in the circular dated 16th January, 2003 despatched by i100 to its shareholders, which are subject to approval by shareholders of i100
“Sale and Purchase Agreement”	the agreement dated 24th January, 2003 and entered into between the Vendors, Landmark Profits, Easyknit and the Vendor Guarantors in relation to the sale by the Vendors and the purchase by Landmark Profits of the Sale Shares
“Sale Shares”	609,000,000 Shares owned by the Vendors
“SFC”	the Securities and Futures Commission of Hong Kong

“Share Offer”	the mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by Easyknit through Landmark Profits or parties acting in concert with it at HK\$0.01 per Share to be made after Completion by Altus Capital on behalf of Landmark Profits in accordance with the Takeovers Code
“Share(s)”	share(s) of HK\$0.10 each in the share capital of i100 or share(s) of HK\$0.01 each after the Proposed Capital Reorganisation has become effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendors”	Asia Pacific Growth Fund III, L.P., i100 Capital Corporation and i100 Holdings Corporation, which in aggregate were, immediately prior to Completion, interested in 609,000,000 Shares representing approximately 55.27 per cent. of the issued share capital of i100

By order of the board of
Easyknit International Holdings Limited
Koon Wing Yee
President and Chief Executive Officer

By order of the board of
i100 Limited
Kan Siu Kei, Laurie
President & Chief Executive Officer

Hong Kong, 6th February, 2003

The directors of Easyknit jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Vendors and the i100 Group) 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 (other than that in relation to the Vendors and i100 Group) the omission of which would make any statement in this announcement misleading.

The directors of i100 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to Easyknit Group) 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 (other than that in relation to Easyknit Group) the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.