
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in i100 Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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i100 LIMITED

(Incorporated in Bermuda with limited liability)

PROPOSED SHARE CONSOLIDATION

CHANGE IN BOARD LOT SIZE

Joint Financial Advisers

ALTUS CAPITAL LIMITED



GET NICE CAPITAL LIMITED

A notice convening a special general meeting of i100 Limited to be held at Chater Room I, Function Room Level, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong at 9:00 a.m. on Monday, 8th September 2003 is set out on page 9 of this circular. Whether or not you are able to attend the special general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the form of proxy at Secretaries Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting should you so wish.

20th August 2003

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EXPECTED TIMETABLE

2003

Latest time for return of form of proxy for SGM (not less than 48 hours before the SGM)	9:00 a.m., Saturday, 6th September
SGM	9:00 a.m., Monday, 8th September
Share Consolidation becomes effective	4:00 p.m., Monday, 8th September
Free exchange of existing green share certificates for new blue share certificates commences	Tuesday, 9th September
Temporary counter for trading in Consolidated Shares in board lots of 50 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m., Tuesday, 9th September
Existing counter for trading in Existing Shares in board lots of 2,000 Existing Shares closes	9:30 a.m., Tuesday, 9th September
Existing counter for trading in Consolidated Shares in board lots of 4,000 Consolidated Shares re-opens.	9:30 a.m., Wednesday, 24th September
Parallel trading in Consolidated Shares (in the form of new and existing certificates) commences	9:30 a.m., Wednesday, 24th September
Designated broker starts to stand in the market to provide matching services	9:30 a.m., Wednesday, 24th September
Temporary counter for trading in Consolidated Shares in board lots of 50 Consolidated Shares (in the form of existing certificates) closes	4:00 p.m., Thursday, 16th October
Designated broker ceases to stand in the market to provide matching services	4:00 p.m., Thursday, 16th October
Parallel trading in Consolidated Shares (in the form of new and existing certificates) ends	4:00 p.m., Thursday, 16th October
Free exchange of existing share certificates for new share certificates ends	Tuesday, 21st October

DEFINITIONS

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

“Auditors”	the auditors of the Company for the time being
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business for more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	i100 Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	share(s) of HK\$0.40 each in the share capital of the Company created upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	19th August 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held on Monday, 8th September 2003 to consider and, if appropriate, to approve the Share Consolidation
“Share Consolidation”	the proposed consolidation of 40 Existing Shares (whether issued or unissued) into one Consolidated Share
“Shareholder(s)”	holder(s) of Existing Share(s) or, where the context requires, Consolidated Share(s)

DEFINITIONS

“Share Option(s)”	the outstanding share option(s) granted by the Company to the management and employees of the Company to subscribe for Existing Shares, pursuant to the share option schemes of the Company adopted on 21st August 1991, 22nd May 2001 and 6th June 2002 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



i100 LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Koon Wing Yee

(President and Chief Executive Officer)

Tsang Yiu Kai *(Vice President)*

Lui Yuk Chu

Independent Non-Executive Directors:

Kan Ka Hon

Kwong Jimmy Cheung Tim

Principal place of business

in Hong Kong:

2906 Central Plaza

18 Harbour Road

Wanchai

Hong Kong

Registered office:

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

20th August 2003

To the Shareholders

Dear Sirs or Madam,

PROPOSED SHARE CONSOLIDATION

CHANGE IN BOARD LOT SIZE

INTRODUCTION

On 1st August 2003, the Directors announced that they intended to put forward to the Shareholders, resolutions regarding inter alia, the Share Consolidation, a change in board lot size from 2,000 Existing Shares to 4,000 Consolidated Shares and a change of the Company's name and the adoption of a Chinese name for identification purposes only. Further to the announcement dated 1st August 2003, the Directors have resolved not to proceed with the proposed change of name of the Company as the Board has not decided on the proposed new name.

The purpose of this circular is to provide you with further details of the Share Consolidation and the change in board lot size, and to give you notice of the SGM convened for the purpose of considering, and if thought fit, approving the necessary resolution to implement such proposal.

LETTER FROM THE BOARD

THE SHARE CONSOLIDATION

Background

Every 40 issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one Consolidated Share of HK\$0.40 each. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 comprising 30,000,000,000 Existing Shares of HK\$0.01 each, of which 1,101,873,000 Existing Shares have been issued and are fully paid. On this basis and assuming that no further Existing Shares will be issued or repurchased prior to the SGM, upon the Share Consolidation becoming effective, the share capital of the Company will comprise 27,546,825 issued and fully-paid Consolidated Shares of HK\$0.40 each and 722,453,175 unissued Consolidated Shares of HK\$0.40 each.

Any fractions which arise upon the Share Consolidation becoming effective will not be issued but will be aggregated and (if possible) sold in the market for the benefit of the Company. The Consolidated Shares will rank pari passu in all respects with each other and the Share Consolidation will not result in any change in the relative rights or the proportionate shareholdings of the Shareholders.

Effect of the Share Consolidation on the Share Options

The Company has outstanding Share Options in issue as at the Latest Practicable Date pursuant to which, following the Share Consolidation becoming effective, a total of 681,200 Consolidated Shares may be issued. Save for the Share Options, there are no outstanding warrants, share options or other securities which are convertible into or giving rights to subscribe for Existing Shares or Consolidated Shares, as the case may be.

Under the terms of the share option schemes of the Company adopted on 21st August 1991, 22nd May 2001 and 6th June 2002, adjustments (if any) will be made to the exercise prices of the Share Options and the number of Consolidated Shares which are subject to the Share Options. Such adjustments (if any), which are to be certified by the Auditors that in their opinion are fair and reasonable, will be made and further announced upon the Share Consolidation becoming effective.

Change in board lot size

At present, the Existing Shares are traded in board lots of 2,000 Existing Shares. Subject to the Share Consolidation becoming effective, the Directors propose to change the size of the board lot for trading on the Stock Exchange to 4,000 Consolidated Shares.

Reason for the Share Consolidation

Upon the change in board lot size, the market value of each board lot of 4,000 Consolidated Shares will be 80 times the market value of the current board lot of 2,000 Existing Shares. Based on the closing price quoted on the Stock Exchange on the Latest Practicable Date of HK\$0.024 per Existing Share, the value per board lot of 2,000 Existing Shares and 4,000 Consolidated Shares are HK\$48 and HK\$3,840, respectively. The transaction cost per dollar value of each Consolidated Share

LETTER FROM THE BOARD

will therefore be lower. The expenses of the Share Consolidation, which is estimated to be less than HK\$100,000, will be borne by the Company. Notwithstanding, in view of the benefit of lower transaction costs, the Directors are of the view that the Share Consolidation is in the interest of the Company and the Shareholders.

Other than the expenses incurred in relation to the Share Consolidation, which is estimated to be less than HK\$100,000, the implementation thereof will not have any effect on the underlying assets, business operations and the financial position of the Group or the interests of the Shareholders.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing of the relevant resolution at the SGM to approve the Share Consolidation; and
- (b) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Consolidated Shares.

Assuming that the above conditions are fulfilled, it is expected that the Share Consolidation will become effective at 4:00 p.m. on Monday, 8th September 2003, being the date of the SGM.

TRADING ARRANGEMENTS

In the event that the Share Consolidation becomes effective, all existing green share certificates for any number of Existing Shares in issue immediately before completion of the Share Consolidation will be deemed to be share certificates, and will be effective as evidence of title, for one fortieth of that number of Existing Shares upon the Share Consolidation becoming effective. Dealings in the Consolidated Shares are expected to commence on 9th September 2003. Parallel trading arrangements for the Consolidated Shares in the form of new share certificates (which will be in blue) and share certificates for the Existing Shares will be established with the Stock Exchange and parallel trading will be permitted from 9:30 a.m., 24th September 2003 to 4:00 p.m., 16th October 2003, both days inclusive, at the counters mentioned below:

- (a) with effect from 9:30 a.m. on Tuesday, 9th September 2003, a temporary counter for trading in the Consolidated Shares in board lots of 50 Consolidated Shares will be established and only green share certificates for the Existing Shares can be traded at this counter. All green share certificates for the Existing Shares will be valid for settlement and delivery for trading transacted at this counter on the basis of every 40 Existing Shares represent one Consolidated Share. The original counter for trading in the Existing Shares in board lots of 2,000 will be temporarily closed with effect from 9:30 a.m. on Tuesday, 9th September 2003;
- (b) with effect from 9:30 a.m. on Wednesday, 24th September 2003, the original counter will be re-opened and will become a counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares. Only new blue share certificates for the Consolidated Shares can be traded at this counter; and

LETTER FROM THE BOARD

- (c) during the period from 9:30 a.m. on Wednesday, 24th September 2003 to 4:00 p.m. on Thursday, 16th October 2003, both days inclusive, there will be parallel trading in the original and temporary counters.

The temporary counter for trading in the Consolidated Shares in board lots of 50 Consolidated Shares (represented by green share certificates for the Existing Shares) will be removed after 4:00 p.m., Thursday, 16th October 2003. The green share certificates for the Existing Shares will then cease to be marketable and not be acceptable for delivery and settlement purposes but will remain effective as evidence of title on the basis of every 40 Existing Shares for one Consolidated Share. With effect from 9:30 a.m. on Friday, 17th October 2003, trading will only be in blue share certificates of the Consolidated Shares in board lots of 4,000 Consolidated Shares at the original counter.

ARRANGEMENT FOR EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, which is expected to be on or about 4:00 p.m. on Monday, 8th September 2003, Shareholders may on or after Tuesday, 9th September 2003 until Tuesday, 21st October, 2003 (both days inclusive) submit the green share certificates for Existing Shares to the Company's branch registrar in Hong Kong, Secretaries Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for exchange, at the expense of the Company, for new blue share certificates representing the Consolidated Shares in issue. During this period, it is expected that new share certificates for the Consolidated Shares will be available for collection on or after the 10th business day from the date of submission of the existing share certificates to Secretaries Limited. Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Consolidated Shares. Nevertheless, certificates for the Existing Shares will continue to be evidence of title and may be exchanged for the new share certificates at any time. Unless otherwise instructed, new share certificates of the Company for the Consolidated Shares will be issued in board lots of 4,000 Consolidated Shares.

ODD LOT TRADING FACILITY

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares as a result of the Share Consolidation, the Company will appoint a broker as an agent to match, on a "best effort" basis, the sale and purchase of odd lots of the Consolidated Shares arising from the Share Consolidation from 24th September 2003 to 16th October 2003 (both days inclusive). Such arrangement is to facilitate Shareholders who wish to dispose of their odd lots of Consolidated Shares or to top up to board lots of 4,000 Consolidated Shares. Get Nice Investments Ltd. has been appointed as the designated broker in this regard. Shareholders who wish to take advantage of this facility should contact Mr. Lau Shek Ki of Get Nice Investment Ltd. at 21-22/F., Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong at telephone number (852) 2524-2318 during the period commencing 9:30 a.m. on Wednesday, 24th September 2003 to 4:00 p.m. on Thursday, 16th October 2003 (both days inclusive). Shareholders are reminded that in order to effect the transaction, they will have to lodge with such designated broker the relevant share certificate(s) and duly signed and completed transfer form(s) and, if applicable, other evidence of title. Shareholders should note that the match up of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

LETTER FROM THE BOARD

LISTING AND DEALINGS

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares created as a result of the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS which is established and operated by HKSCC.

Subject to the granting of the listing of, and permission to deal in the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

SGM

A notice of the SGM to be held at 9:00 a.m. on Monday, 8th September 2003 (or any adjournment thereof) at Chater Room I, Function Room Level, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong at which a resolution will be proposed to be considered and, if thought fit, be passed by Shareholders, in relation to the Share Consolidation is set out on page 9 of this circular.

Enclosed with this circular is a form of proxy for use at the SGM. Whether or not they are intending to attend the SGM, Shareholders are requested to complete the enclosed form of proxy and return to Secretaries Limited, G/F Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for holding of the SGM. Completing and returning the form of proxy will not preclude Shareholders from attending and voting in person at the SGM or at any adjournment thereof should they so wish.

RECOMMENDATIONS

The Directors are of the view that the proposed resolution in relation to the Share Consolidation is in the best interests of the Company and the Shareholders in view of the benefit of lower transaction costs. Accordingly, the Directors recommend Shareholders to vote in favour of the resolution to be proposed at the SGM.

Yours faithfully,
For and on behalf of
i100 Limited
Koon Wing Yee
President and Chief Executive Officer

NOTICE OF SGM



i100 LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of the shareholders of i100 Limited (the “Company”) will be held at Chater Room I, Function Room Level, The Ritz-Carlton, Hong Kong, 3 Connaught Road Central, Hong Kong on Monday, 8th September 2003, at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution as an Ordinary Resolution of the Company:

ORDINARY RESOLUTION

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Consolidated Shares (as defined below) and with effect at 4:00 p.m. on Monday, 8th September 2003:

- (a) every 40 issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one share of HK\$0.40 each (“Consolidated Share(s)”) in the share capital of the Company (the “Consolidation Proposal”);
- (b) all of the Consolidated Shares resulting from the Consolidation Proposal shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Bye-laws of the Company;
- (c) any fractional entitlements to the issued Consolidated Shares shall be aggregated and sold for the benefit of the Company by an agent appointed by the board of directors (“Directors”) of the Company for that purpose in accordance with the terms and conditions set out in the circular dated 20th August 2003 (the “Circular”), a copy of which has been submitted to the meeting marked “A” and signed for the purpose of identification by the Chairman of the meeting; and
- (d) any Director be authorised generally to do all things appropriate to effect and implement any of the foregoing.”

By order of the Board
Koon Wing Yee
President and Chief Executive Officer

Hong Kong, 20th August 2003