

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This press notice appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares in Softbank Investment International (Strategic) Limited.*



**SOFTBANK INVESTMENT INTERNATIONAL (STRATEGIC) LIMITED**  
*(incorporated in Hong Kong with limited liability)*

**CONNECTED TRANSACTIONS**

**Share Subscription Agreement  
and  
Share Purchase Agreement**

**Financial Advisor**



**SBI E2-Capital (HK) Limited**

The Directors announce that, on 11 September, 2002, the Share Subscription Agreement was entered into between (i) SBI E2-Capital Holdings Pte; (ii) SBI E2-Capital Asia; (iii) SBI E2-Capital China; and (iv) SBI E2-Capital Securities Pte whereby SBI E2-Capital Securities Pte will allot and issue an aggregate of 4,999,998 new shares of S\$1.00 each to SBI E2-Capital Holdings Pte, SBI E2-Capital Asia and SBI E2-Capital China for a total consideration of approximately S\$5 million (appropriately HK\$22 million). Upon completion of the Share Subscription Agreement, SBI E2-Capital Holdings Pte, SBI E2-Capital Asia and SBI E2-Capital China will own approximately 51%, 39% and 10% of the issued share capital of SBI E2-Capital Securities Pte, respectively.

The proposed transaction will diversify the corporate finance advisory business of the Group in Singapore into securities brokerage and trading business and enhance the cooperation between the Singapore operation and the Hong Kong operation. The total consideration of approximately S\$5 million (appropriately HK\$22 million) is determined at cost based on the paid up capital of SBI E2-Capital Securities Pte. Accordingly, the Directors are of the view that the terms and conditions of the Share Subscription Agreement were entered into in the ordinary and usual course of business of the Group on normal commercial terms and are in the interests of the Group so far as the shareholders of the Company are concerned.

SBI E2-Capital Securities Pte is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Holdings Pte, which owns 100% of the issued share capital of SBI E2-Capital Securities Pte and a non-wholly-owned subsidiary of SBI E2-Capital Asia, is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Asia, a 56% shareholder of SBI E2-Capital Holdings Pte and the sole shareholder of SBI E2-Capital China, is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital China, a wholly-owned subsidiary of SBI E2-Capital Asia, is therefore an indirect non-wholly-owned subsidiary of the Company. As Mr. Choo Chee Kong, an executive Director, is also a substantial shareholder of SBI E2-Capital Securities Pte, holding an indirect interest of approximately 21.2% of SBI E2-Capital Securities Pte, the Share Subscription Agreement constitutes a connected transaction under Chapter 14 of the Listing Rules.

An independent financial advisor to the independent Non-executive Directors will be appointed to advise on the fairness and reasonableness of the terms of the Share Subscription Agreement. A circular containing, inter alia, information on the Share Subscription Agreement, letter from the financial advisor to the independent Directors and a notice convening the EGM will be dispatched to the shareholders of the Company as soon as practicable. An EGM will be convened at which the shareholders of the Company (other than Mr. Choo Chee Kong who would abstain from voting at the EGM) will be asked to consider and, if thought fit, approve the Share Subscription Agreement.

On 11 September, 2002, SBI E2-Capital Securities Pte and SBI E2-Capital Securities, both of which, indirect non-wholly owned subsidiaries of the Company, entered into the Share Purchase Agreement whereby SBI E2-Capital Securities Pte will purchase 1,000,000 shares of SBI E2-Capital Brokerage, representing 10% of its issued share capital for a consideration of S\$0.5 million (approximately HK\$2.2 million). The consideration was reached by reference to the unaudited net asset value of SBI E2-Capital Brokerage as at 31st August, 2002, estimated to be S\$5 million (approximately HK\$22 million).

As a result of the Share Purchase Agreement, the Group would be able to enhance the future co-operation and synergy between the securities brokerage operation in Singapore and that in Hong Kong in order to create a closer relationship for securities brokerage business between Singapore and Hong Kong.

SBI E2-Capital Securities Pte is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Securities, an indirect wholly-owned subsidiary of SBI E2-Capital Asia, is, in turn, an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Brokerage, a wholly-owned subsidiary of SBI E2-Capital Securities, is therefore an indirect non-wholly-owned subsidiary of the Company. As Mr. Choo Chee Kong, an executive Director, is also a substantial shareholder of SBI E2-Capital Securities Pte, holding an indirect interest of approximately 21.2% of SBI E2-Capital Securities Pte, the Share Purchase Agreement constitutes a connected transaction under Chapter 14 of the Listing Rules.

The aggregate consideration under the Share Purchase Agreement is S\$0.5 million (approximately HK\$2.2 million), which exceeds HK\$1,000,000, but does not exceed the higher of HK\$10,000,000 and 3% of the Adjusted Net Tangible Assets. The Share Purchase Agreement is subject to only disclosure requirement under rule 14.25(1) of the Listing Rules.

The Directors, including the independent non-executive Directors, are of the view that the terms and conditions of the Share Purchase Agreement are fair and reasonable and was entered into in the ordinary and usual course of business of the Group on normal commercial terms and is in the interests of the Group so far as the shareholders of the Company are concerned.

The Share Purchase Agreement is not conditional upon completion of the Share Subscription Agreement.

## **PARTICULARS OF THE SHARE SUBSCRIPTION AGREEMENT**

- Purpose:** Contribution of paid-up capital to SBI E2-Capital Securities Pte to commence securities brokerage and trading business of the Group in Singapore
- Date:** 11 September, 2002
- Parties:** SBI E2-Capital Holdings Pte  
SBI E2-Capital Asia  
SBI E2-Capital China  
SBI E2-Capital Securities Pte
- Consideration:**
1. SBI E2-Capital Holdings Pte to contribute in cash approximately S\$2.55 million (approximately HK\$11.32 million)
  2. SBI E2-Capital Asia to contribute in cash S\$1.95 million (approximately HK\$8.65 million)
  3. SBI E2-Capital China to contribute in cash S\$0.50 million (approximately HK\$2.22 million)
- Basis of consideration:** Paid-up capital of S\$5 million (approximately HK\$22 million) of SBI E2-Capital Securities Pte, which is the minimum paid-up capital amount required by the Monetary Authority of Singapore
- Terms:**
1. SBI E2-Capital Holdings Pte, the sole shareholder holding two shares of SBI E2-Capital Securities Pte, agrees to subscribe 2,549,998 Subscription Shares (representing approximately 51% of its enlarged share capital)

2. SBI E2-Capital Asia agrees to subscribe 1,950,000 Subscription Shares (representing 39% of its enlarged share capital)
3. SBI E2-Capital China agrees to subscribe 500,000 Subscription Shares (representing 10% of its enlarged share capital)

Completion date: on or before 31 October, 2002 or any other date as the parties may agree mutually in writing

### **Condition Precedent**

Completion of the Share Subscription Agreement is conditional upon:

1. SBI E2-Capital Securities Pte having obtained the relevant consents and approvals from relevant authorities in Singapore in respect of the allotment and issue of the Subscription Shares to SBI E2-Capital Holdings Pte, SBI E2-Capital Asia and SBI E2-Capital China.
2. SBI E2-Capital Securities Pte having successfully obtained a Dealer's Licence under Singapore Securities Industry Act (Chapter 289) from the Monetary Authority of Singapore.
3. The passing at an EGM of a resolution by the independent shareholders of the Company to approve the Share Subscription Agreement and the matters contemplated hereunder.

### **General**

The existing issued share capital of SBI E2-Capital Securities Pte is S\$2.00 (HK\$8.88) and the paid-up capital will be increased to S\$5.0 million (approximately HK\$22.2 million) upon completion of the Share Subscription Agreement. SBI E2-Capital Holdings Pte is an investment holding company of the Group's investment banking operation in Singapore. SBI E2-Capital Asia is an investment holding company of the Group's overall investment banking business for all regions. SBI E2-Capital China is the investment holding company of the Group's investment banking business in the Greater China region. SBI E2-Capital Securities Pte will be engaged in securities brokerage and trading in Singapore upon completion of the Share Subscription Agreement.

The funding of the transaction under the Share Subscription Agreement would come from internal resources of each party contemplated under the agreement.

### **PARTICULARS OF THE SHARE PURCHASE AGREEMENT**

Purpose: Acquisition by SBI E2-Capital Securities Pte of 10% equity interest in SBI E2-Capital Brokerage from SBI E2-Capital Securities

Date: 11 September, 2002

Parties:	SBI E2-Capital Securities Pte SBI E2-Capital Securities
Consideration:	S\$0.5 million (approximately HK\$2.2 million), payable in cash
Basis of consideration:	the unaudited net asset value of SBI E2-Capital Brokerage as at 31st August, 2002, estimated to be S\$5.0 million
Terms:	SBI E2-Capital Securities Pte to acquire from SBI E2-Capital Securities 1,000,000 shares of SBI E2-Capital Brokerage, representing 10% of the issued share capital of SBI E2-Capital Brokerage
Completion date:	on or before 31 October, 2002 or any other date as the parties may agree mutually in writing

### **Condition Precedent**

Completion of the Share Purchase Agreement is conditional upon, inter alia, SBI E2-Capital Securities Pte having obtained the necessary regulatory approval from the regulatory authority in Singapore to register as a Dealer under the Singapore Securities Industry Act (Chapter 289).

### **General**

The funding of the transaction under the Share Purchase Agreement would come from internal resources of the Group. SBI E2-Capital Brokerage is principally engaged in securities broking and trading in Hong Kong.

### **REASONS FOR ENTERING INTO THE SHARE SUBSCRIPTION AGREEMENT AND THE SHARE PURCHASE AGREEMENT**

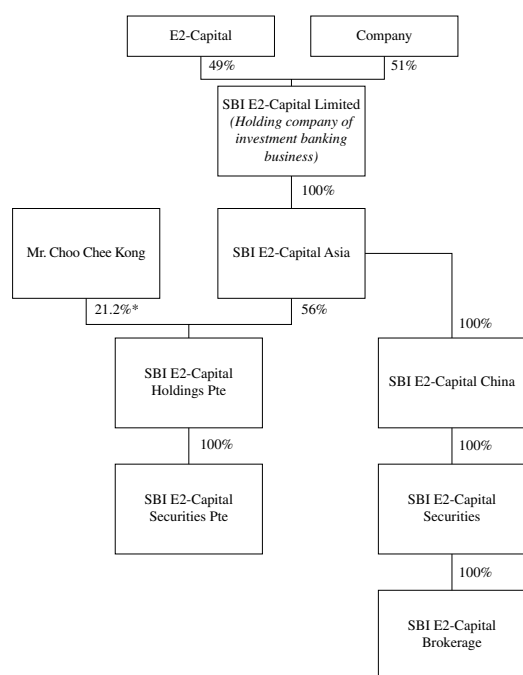
The Group operates its corporate finance advisory business in Singapore through SBI E2-Capital Holdings Pte, an indirect non-wholly-owned subsidiary of the Company. As the Singapore operation is planning to diversify its business into securities brokerage and trading in order to provide a comprehensive investment banking services in Singapore, it requires paid up capital of S\$5 million (approximately HK\$22 million). As a result of the completion of the Share Subscription Agreement, SBI E2-Capital Securities Pte will be held as to 51% by SBI E2-Capital Holdings Pte, 39% by SBI E2-Capital Asia and 10% by SBI E2-Capital China.

As a result of the Share Purchase Agreement, the Group would be able to enhance the future co-operation and synergy between the securities brokerage operation in Singapore and that in Hong Kong in order to create a closer relationship for securities brokerage business between Singapore and Hong Kong. The Group intends to use the proceeds of S\$0.5 million (approximately HK\$2.2 million) from the sale of 1,000,000 shares of SBI E2-Capital Brokerage for general working capital purposes.

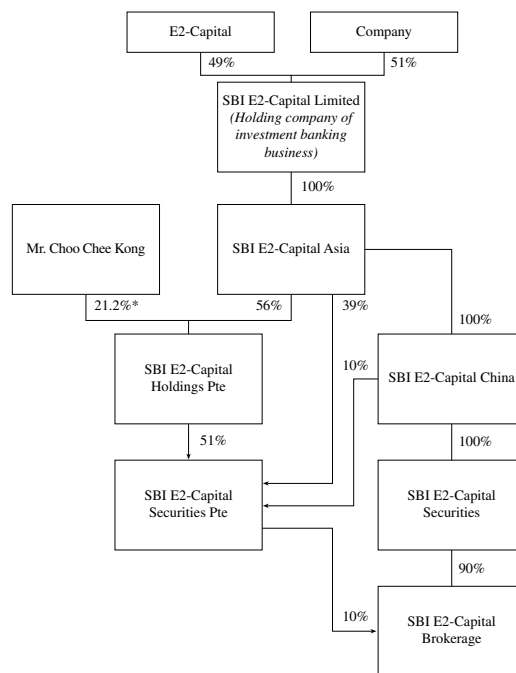
## SHAREHOLDING STRUCTURE

The charts below set out the shareholding structure of the investment banking business of the Group before and after the completion of the Share Subscription Agreement and Share Purchase Agreement:

### Before the completion of the Share Subscription Agreement and Share Purchase Agreement



### Upon completion of the Share Subscription Agreement and Share Purchase Agreement



\* *indirect shareholding*

## CONNECTED TRANSACTIONS

SBI E2-Capital Securities Pte is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Holdings Pte, which owns 100% of the issued share capital of SBI E2-Capital Securities Pte and a non-wholly-owned subsidiary of SBI E2-Capital Asia, is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Asia, a 56% shareholder of SBI E2-Capital Holdings Pte and the sole shareholder of SBI E2-Capital China, is an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital China, a wholly-owned subsidiary of SBI E2-Capital Asia, is therefore an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Securities, an indirect wholly-owned subsidiary of SBI E2-Capital Asia, is, in turn, an indirect non-wholly-owned subsidiary of the Company. SBI E2-Capital Brokerage, a wholly-owned subsidiary of SBI E2-Capital Securities, is therefore an indirect non-wholly-owned subsidiary of the Company. As Mr. Choo Chee Kong, an executive Director, is also a substantial shareholder of SBI E2-Capital Securities Pte holding an indirect interest of approximately 21.2% of SBI E2-Capital Securities Pte, the Share Subscription Agreement and Share Purchase Agreement constitute connected transactions under Chapter 14 of the Listing Rules.

The aggregate consideration under the Share Subscription Agreement is S\$5.0 million (approximately HK\$22.2 million), which exceeds the higher of HK\$10,000,000 and 3% of the Adjusted Net Tangible Assets. In this connection, approval by the independent shareholders of the Company at the EGM is required in respect of the Share Subscription Agreement.

An independent financial advisor to the independent Non-executive Directors will be appointed to advise on the fairness and reasonableness of the terms of the Share Subscription Agreement. A circular containing, inter alia, information on the Share Subscription Agreement, letter from the financial advisor to the independent Directors and a notice convening the EGM will be dispatched to the shareholders of the Company as soon as practicable. An EGM will be convened at which the shareholders of the Company (other than Mr. Choo Chee Kong who would abstain from voting at the EGM) will be asked to consider and, if thought fit, approve the Share Subscription Agreement.

The aggregate consideration under the Share Purchase Agreement is S\$0.5 million (approximately HK\$2.2 million), which exceeds HK\$1,000,000, but does not exceed the higher of HK\$10,000,000 and 3% of the Adjusted Net Tangible Assets. The Share Purchase Agreement is subject to only disclosure requirement under rule 14.25(1) of the Listing Rules.

## **BUSINESS OF THE GROUP**

The Group is principally engaged in investment holding, financial services, technology and communication consulting, garment manufacturing as well as property holding and others.

## **DEFINITIONS**

“Adjusted Net Tangible Assets”	the book value of the net tangible assets of the Group as disclosed in published audited accounts as at 30th June, 2001, adjusted to take account of the unaudited interim results of the Group as at 31st December 2001 and subsequent published and completed transactions
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Softbank Investment International (Strategic) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 648)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened as soon as practicable for the purpose of approving, among other things, the Share Subscription Agreement

“E2-Capital”	E2-Capital (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 378)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “HK dollars”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SBI E2-Capital Asia”	SBI E2-Capital Asia Limited, an indirectly 51% non-wholly-owned subsidiary of the Company
“SBI E2-Capital Brokerage”	SBI E2-Capital Brokerage Limited, an indirect wholly-owned subsidiary of SBI E2-Capital Asia
“SBI E2-Capital China”	SBI E2-Capital China Holdings Limited, a wholly-owned subsidiary of SBI E2-Capital Asia
“SBI E2-Capital Holdings Pte”	SBI E2-Capital Holdings Pte Ltd, a 56% owned subsidiary of SBI E2-Capital Asia and the remaining 44% owned by the management (including Mr. Choo Chee Kong) of such company
“SBI E2-Capital Securities”	SBI E2-Capital Securities Limited, an indirect wholly-owned subsidiary of SBI E2-Capital Asia and a direct wholly-owned subsidiary of SBI E2-Capital China
“SBI E2-Capital Securities Pte”	SBI E2-Capital Securities Pte Ltd, a wholly-owned subsidiary of SBI E2-Capital Holdings Pte
“Share Purchase Agreement”	the share purchase agreement dated 11 September 2002 and entered into between SBI E2-Capital Securities Pte and SBI E2-Capital Securities in relation to the sale of 1,000,000 shares of SBI E2-Capital Brokerage by SBI E2-Capital Securities to SBI E2-Capital Securities Pte
“Share Subscription Agreement”	the share subscription agreement dated 11 September 2002 and entered into between (1) SBI E2-Capital Holdings Pte; (2) SBI E2-Capital Asia; (3) SBI E2-Capital China; and (4) SBI E2-Capital Securities Pte in relation to the subscription of shares of SBI E2-Capital Securities Pte
“Subscription Shares”	4,999,998 new shares of SBI E2-Capital Securities Pte to be issued and allotted under the Share Subscription Agreement



“S\$” Singapore dollars, the legal currency of Singapore

“sq. ft.” square feet

“Hong Kong Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Wong Sin Just**  
*Chief Executive Officer*

Hong Kong, 12 September, 2002

*In this announcement, for reference only and unless specified, the translation of S\$ into HK\$ is based on the exchange rate of S\$1.00 = HK\$4.44*

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