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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

It was stated in the announcement dated 12 September, 2002 that the completion date of the Share Subscription Agreement and the Share Purchase Agreement was on or before 31 October, 2002 or any other date as the parties may agree mutually in writing.

On 30 October, 2002, SBI E2-Capital Holdings Pte, SBI E2-Capital Asia, SBI E2-Capital China and SBI E2-Capital Securities Pte entered into a supplemental agreement to extend the completion date of the Share Subscription Agreement from 31 October, 2002 to on or before 30 June, 2003. On the same day, SBI E2-Capital Securities Pte and SBI E2-Capital Securities entered into a supplemental agreement to extend the completion date of the Share Purchase Agreement from 31 October, 2002 to on or before 30 June, 2003.

The Share Subscription Agreement was completed on 9 April, 2003.

On 12 May, 2003, SBI E2-Capital Securities Pte and SBI E2-Capital Securities entered into a termination agreement to terminate the Share Purchase Agreement.

The Directors consider that the statements in the announcement dated 12 September, 2002 in relation to the completion date of the Share Subscription Agreement and the Share Purchase Agreement can be interpreted that it could be completed any date beyond 31 October, 2002 and the Directors consider the entering into of the said supplemental agreements to be immaterial. Therefore, the Directors consider it not necessary to further announce the delay in completion of the Share Subscription Agreement and the Share Purchase Agreement and the entering into of the said supplemental agreements, hence, no obligation pursuant to paragraph 2 of the Listing Agreement arose.

The Hong Kong Stock Exchange considered the Company may have breached paragraph 2 of the Listing Agreement as the Company has not promptly announced the entering into of the said supplemental agreements on 30 October, 2002 to extend the completion date of the Share Subscription Agreement and the Share Purchase Agreement from 31 October, 2002 to 30 June, 2003, nor the non-completion of the Share Subscription Agreement and the Share Purchase Agreement by 31 October, 2002. The Hong Kong Stock Exchange reserves its rights to take further actions against the Company and/or the Directors as a result of the breach.

Reference is made to the announcement (the “Announcement”) of Softbank Investment International (Strategic) Limited (the “Company”) dated 12 September, 2002, in relation to the Share Subscription Agreement and the Share Purchase Agreement. Unless the context otherwise referred, terms used in this announcement shall have the same meanings as defined in the Announcement.

As stated in the Announcement, 1) on 11 September, 2002, SBI E2-Capital Holdings Pte, SBI E2-Capital Asia, SBI E2-Capital China and SBI E2-Capital Securities Pte entered into the Share Subscription Agreement, whereby SBI E2-Capital Securities Pte agreed to 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 (approximately HK\$22 million); and 2) on 11 September, 2002, SBI E2-Capital Securities Pte and SBI E2-Capital Securities entered into the Share Purchase Agreement, whereby SBI E2-Capital Securities Pte agreed to 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 31 August, 2002, estimated to be S\$5 million (approximately HK\$22 million).

It was stated in the Announcement that pursuant to the Share Subscription Agreement and the Share Purchase Agreement, the completion date of the Share Subscription Agreement and the Share Purchase Agreement was on or before 31 October, 2002 or any other date as the parties may agree mutually in writing.

On 30 October, 2002, SBI E2-Capital Holdings Pte, SBI E2-Capital Asia, SBI E2-Capital China and SBI E2-Capital Securities Pte entered into a supplemental agreement to extend the completion date of the Share Subscription Agreement from 31 October, 2002 to on or before 30 June, 2003. On the same day, SBI E2-Capital Securities Pte and SBI E2-Capital Securities entered into a supplemental agreement to extend the completion date of the Share Purchase Agreement from 31 October, 2002 to on or before 30 June, 2003 (collectively the “Supplemental Agreements”).

The Share Subscription Agreement was completed on 9 April, 2003.

On 12 May, 2003, SBI E2-Capital Securities Pte and SBI E2-Capital Securities entered into a termination agreement to terminate the Share Purchase Agreement. The termination has no effect on the partial disposal of interest in SBI E2-Capital Holdings Pte, the provision of an undertaking to the Monetary Authority of Singapore and the indemnity to E2-Capital as disclosed in the announcement of the Company dated 6 March, 2003. The transactions involved have been completed.

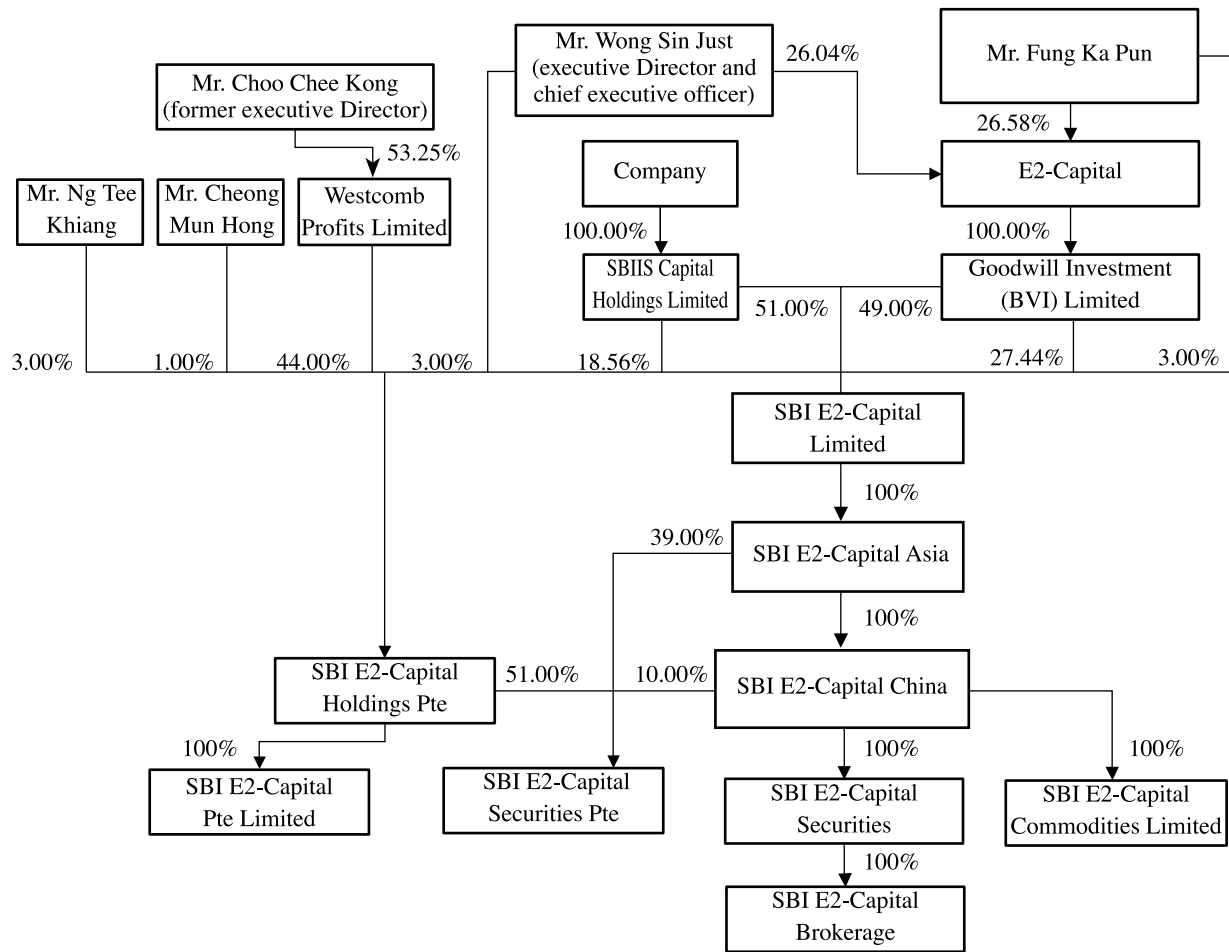
The Company holds an indirect interest of 51% of SBI E2-Capital Securities, and an indirect interest of 34.45% of SBI E2-Capital Securities Pte.

Reason for the termination of the Share Purchase Agreement

On 1 April, 2003, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “Ordinance”) came into effect. Under the new licensing regime covered by the Ordinance, a market intermediary can engage in a number of different regulated activities through one single license and one corporate vehicle. It is envisaged that business activities carried out by SBI E2-Capital Brokerage and its related companies will undergo substantial changes in due course to reduce administrative and compliance cost. Under such circumstance, SBI E2-Capital Securities Pte and SBI E2-Capital Securities have decided to terminate the Share Purchase Agreement. The Directors (including independent non-executive Director) are of the view that the termination of the Share Purchase Agreement is for the benefit of the Company and its shareholders.

The parties involved in the Share Purchase Agreement mutually agreed to terminate the Share Purchase Agreement and not to claim against the other party for such termination.

Latest shareholding structure after the termination of the Share Purchase Agreement



Disclosure of the extension of completion date of the Share Subscription Agreement and the Share Purchase Agreement

- 1) The Company stated in the Announcement that the completion date of the Share Subscription Agreement and the Share Purchase Agreement was on or before 31 October, 2002 or any other date as the parties may agree mutually in writing.
- 2) The Company disclosed in the announcement dated 6 March, 2003 made by the Company that the completion of the Share Subscription Agreement and the Share Purchase Agreement was conditional upon the approval by the Monetary Authority of Singapore which was expected to be on or before 30 June, 2003.
- 3) The Company disclosed in the circular dated 24 March, 2003 issued by the Company that both the Share Subscription Agreement and the Share Purchase Agreement were not yet completed at the latest practicable date of such circular.

The Company did not announce the entering into of the Supplemental Agreements on 30 October, 2002.

The Directors consider that the statements in the Announcement which said that the completion date of the Share Subscription Agreement and the Share Purchase Agreement was on or before 31 October, 2002 or any other date as the parties may agree mutually in writing can be interpreted that it could be completed any date beyond 31 October, 2002 and the Directors consider the entering into of the Supplemental Agreements to be immaterial. Therefore, the Directors consider it not necessary to further announce the delay in completion of the Share Subscription Agreement and the Share Purchase Agreement and the entering into of the Supplemental Agreements, hence, no obligation pursuant to paragraph 2 of the Listing Agreement arose.

The Hong Kong Stock Exchange considered the Company may have breached paragraph 2 of the Listing Agreement as the Company has not promptly announced the entering into of the Supplemental Agreements on 30 October, 2002 to extend the completion date of the Share Subscription Agreement and the Share Purchase Agreement from 31 October, 2002 to 30 June, 2003, nor the non-completion of the Share Subscription Agreement and the Share Purchase Agreement by 31 October, 2002. The Hong Kong Stock Exchange reserves its rights to take further actions against the Company and/or the Directors as a result of the breach.

By Order of the Board
Wong Sin Just
Chief Executive Officer

Hong Kong, 16 May, 2003.

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