ROCKAPETTA HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

DISCLOSEABLE TRANSACTIONS AND WINDING-UP PETITION AGAINST A SUBSIDIARY TO BE DISPOSED OF

By the First Agreement dated 6 September 2002 and entered into between the Company as vendor and Mr. Chung as purchaser, the Company agreed to sell 35% of all issued shares in RIL, a subsidiary of the Company to Mr. Chung for a cash consideration of HK$8.75 million. The transactions under the First Agreement were completed on 10 September 2002. RIL was a wholly owned subsidiary of the Company when the First Agreement was signed.

On 23 September 2002, the Company and Ms. Tea entered into the Second Agreement whereby the Company agreed to sell 65% of all issued shares in RIL to Ms. Tea for a cash consideration of HK$16.25 million. Completion of the transactions under the Second Agreement will take place after certain conditions (described below) have been fulfilled.

Completion of the transactions under the First Agreement and the Second Agreement will result in an entire disposal of the Toy Business which is the Group's principal business and such transactions, when aggregated, constitute discloseable transactions under the Listing Rules.

On 8 July 2002, a winding-up petition was filed against RIC, a subsidiary of RIL, in relation to a claim against RIC for repayment of an amount of approximately HK$52 million including interest thereon. The petition is scheduled to be heard on 9 October 2002 at the High Court of Hong Kong. As RIL together with RIC will be entirely disposed of under the Second Agreement, the Directors are of the view and confirm that the above winding-up petition will have no material adverse impact on the financial position and operation of the Group. The Stock Exchange has advised the Company that it reserves all its rights against the Company and the Directors in respect of the Company's breaches of Paragraph 17 of the Listing Agreement for not notifying the Stock Exchange immediately of the above petition and Paragraph 2 of the Listing Agreement for not releasing such price sensitive information to the shareholders of the Company and the investing public as soon as practicable. **Shareholders and potential investors should exercise caution in dealing in the shares of the Company.**

The reasons for disposing of the Toy Business are that the Group has suffered from significant losses for three consecutive years amounting to HK$3,305,000 (for the 6 months ended 30 June 2002), HK$45,859,000 (for the financial year ended 31 December 2001), HK$44,875,000 (for the financial year ended 31 December 2000) and HK$2,184,000 (for the 9 months ended 31 December 1999) respectively because of the gloomy market conditions of toy business in general and that in the Directors' opinion, such market conditions will unlikely be improved in the near future.

The Directors confirm that about HK$2 million of the aggregate net cash proceeds of HK$25 million (less the transactional costs) from the disposal of the Toy Business has been set aside to finance the acquisition of a company for the Group's existing food and beverage business and the Directors intend to use HK$18 million of the proceeds for future development and expansion of the Group's existing food and beverage business and use the balance of the proceeds to finance investments in other businesses which are of high potential and fast growing when suitable opportunities arise.

As a result of the disposal of the Toy Business, the Group will change its principal business from toy manufacturing business to food and beverage business. The Stock Exchange has indicated that it is reviewing whether the Group can comply with the requirements of Paragraph 38 of the Listing Agreement which requires that the issuer shall have sufficient level of operations or tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to warrant the continued listing of the issuer's securities. **Shareholders and potential investors should exercise caution in dealing in the shares in the Company.**

At the request of the Company, the shares of the Company have been suspended from trading on the Stock Exchange since 9:30 a.m. on 24 September 2002 pending the publication of this announcement. The Board has applied for resumption of trading of the shares in the Company on the Stock Exchange from 9:30 a.m. on 4 October 2002.

A. THE FIRST AGREEMENT

Date of the First Agreement

6 September 2002

Parties

Vendor : the Company
Purchaser : Mr. Chung

Assets disposed of

Pursuant to the First Agreement, the Company agreed to sell and Mr. Chung agreed to purchase 7,000 ordinary shares of US$1 each in RIL, representing 35% of the issued share capital of RIL. RIL was a wholly owned subsidiary of the Company when the First Agreement was signed. Through RIL's Subsidiaries and Associates, RIL carries on the Toy Business, which is the principal business of the Group.

Consideration

The consideration for the 35% of all issued shares in RIL was HK$8.75 million, which was settled in cash upon completion of the transactions under the First Agreement. The consideration was arrived at after arm's length negotiation between the Company and Mr. Chung.

Conditions Precedent

Completion of the transactions under the First Agreement was conditional upon the Company complying with all relevant regulations and obtaining all relevant regulatory approvals (if required) for the implementation of the transactions contemplated by the First Agreement. As no regulatory approval was required, all the conditions precedent were regarded fulfilled by 10 September 2002.

Completion

Completion of the transactions under the First Agreement took place on 10 September 2002.

B. THE SECOND AGREEMENT

Date of the Second Agreement

23 September 2002

Parties

Vendor : the Company
Purchaser : Ms. Tea

Assets to be disposed of

Pursuant to the Second Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase 13,000 shares of US$1 each in RIL, representing 65% of the issued share capital of RIL. RIL, through RIL's Subsidiaries and Associates, carries on the Toy Business, which is the principal business of the Group.

Consideration

The consideration for the 65% of all issued shares in RIL will be HK$16.25 million payable in cash to the Company upon completion of the transactions under the Second Agreement. The consideration was arrived at after arm's length negotiation between the Company and Ms. Tea.

Conditions Precedent

Completion of the transactions under the Second Agreement will take place subject to (a) the Company complying with the Listing Rules including without limitation notifying the Stock Exchange of the transactions contemplated by the Second Agreement, publishing this announcement, issuing a circular to the shareholders of the Company and (b) the Company complying with all other relevant regulations and obtaining all relevant regulatory approvals (if required) or third party's approvals (if required). The Directors confirm that other than the Company complying with the Listing Rules by notifying the Stock Exchange of the transactions contemplated by the Second Agreement, publishing this announcement, issuing a circular to the shareholders of the Company, there is no other condition precedent required to be fulfilled.

In the event that the above conditions are not fulfilled on or before 7 October 2002 or such later date as the Company and Ms. Tea may agree, the Second Agreement will be null and void and of no effect except the provisions in relation to costs and expenses for preparing and concluding the Second Agreement.

C. BASIS OF THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Company and Mr. Chung and Ms. Tea respectively and the First Agreement and the Second Agreement were concluded on normal commercial terms. During the negotiations, the Board has taken into account the unaudited consolidated net asset value of RIL and RIL's Subsidiaries and Associates was approximately HK$20 million as at 30 June 2002 based on the proforma account. The Consideration thus represents a profit on disposal of approximately HK$5 million (25%) over the said consolidated net asset value of RIL and RIL's Subsidiaries and Associates. There are no net profits attributable to the shares in RIL being disposed of for the 2 financial years immediately preceding the transactions under the First Agreement and the Second Agreement. The audited net losses of the RIL and RIL's Subsidiaries and Associates after taxation are HK$45,859,000 for the financial year of 2001 and HK$44,875,000 for the financial year of 2000.

The Directors confirm that the Consideration was arrived at after considering the interest of the Group as a whole. The Directors are of the view that the Consideration was agreed on normal commercial terms and is fair and reasonable as far as the shareholders of the Company are concerned.

D. IMPLICATION OF THE LISTING RULES

Completion of the transactions under the First Agreement and the Second Agreement will result in the disposal of the entire Toy Business, which is the Group's principal business. In the Directors' opinion, such transactions are therefore likely to be price sensitive in nature and should be disclosed pursuant to Paragraph 2 of the Listing Agreement.

Further, Rule 14.04(5) of the Listing Rules provides that the Stock Exchange will normally aggregate a series of transactions and treat them as if they were one transaction if they were all completed within a short period of time or are otherwise related. As such, the transactions under the First Agreement and the Second Agreement may be treated as if they were one transaction to dispose of the Toy Business for the purpose of determining whether such transactions are notifiable transactions under Chapter 14 of the Listing Rules.

The unaudited consolidated net asset value of RIL and RIL's Subsidiaries and Associates is approximately HK$20 million as at 30 June 2002 based on the proforma account, which constitutes about 33.37% of the unaudited consolidated net asset value of the Group (about HK$59,932,000 as at 30 June 2002) and the Consideration constitutes about 41.71% of the consolidated net asset value of the Group as at 30 June 2002. Both the consolidated net asset value of RIL and RIL's Subsidiaries and Associates and the Consideration exceed 15% but are below 50% of the consolidated net asset value of the Group. As such, under Rule 14.12 of the Listing Rules, the transactions under the First Agreement and the Second Agreement are, when aggregated, discloseable transactions and subject to compliance with the relevant notifiable transaction requirements under the Listing Rules.

E. INFORMATION ABOUT THE PURCHASERS

Each of Mr. Chung and Ms. Tea is an independent third party not connected with the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their associates prior to completion of the transactions under the First Agreement and the Second Agreement respectively.

Mr. Chung and Ms. Tea are independent to each other in their acquisition of shares in RIL under the First Agreement and the Second Agreement respectively.

F. WINDING-UP PETITION AGAINST A SUBSIDIARY OF RIL

On 8 July 2002, a winding-up petition was filed by Mr. Kwok Chin Wing, the former chairman of the Group who resigned on 11 April 2001, against RIC, a wholly owned subsidiary of RIL, in relation to his claim against RIC for repayment to him of a loan of an amount of approximately HK$52 million including interest thereon. No other member of the Group is involved in the above petition and the petition is scheduled to be heard on 9 October 2002 at the High Court of Hong Kong.

As RIL together with RIC will be entirely disposed of upon completion of the transactions under the Second Agreement and there were no warranties and indemnities given by the Group to Mr. Chung and Ms. Tea about the potential liabilities relating to the above winding-up petition, the Directors are of the view and confirm that the above winding-up petition will have no material adverse impact on the financial position and operation of the Group. The Board will announce the outcome of the above winding-up petition should completion of the Second Agreement be still pending at that time.

The Directors confirm that at the time of the First Agreement and the Second Agreement were signed, both Mr. Chung and Ms. Tea were aware of the above winding-up petition against RIC and the possible liabilities arising from the winding-up petition.

Pursuant to Paragraph 17 of the Listing Agreement, a company whose securities are listed on the Stock Exchange is required to inform immediately the Stock Exchange of the presentation of any winding-up petition against it or any of its major subsidiary. Further, Paragraph 2 of the Listing Agreement provides that "the issuer shall keep the Stock Exchange, members of the issuer and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the group which might be reasonably expected materially to affect market activity in and the price of its securities". The Stock Exchange has advised the Company that it reserves all its rights against the Company and the Directors in respect of the Company's breaches of Paragraph 17 of the Listing Agreement for not notifying the Stock Exchange immediately of the above winding-up petition and Paragraph 2 of the Listing Agreement for not releasing such price sensitive information to the shareholders of the Company and the investing public as soon as practicable.

Shareholders and potential investors should exercise caution in dealing in the shares of the Company.

G. REASONS FOR THE DISPOSAL OF THE TOY BUSINESS

The Group is principally engaged in the Toy Business through RIL and RIL's 13 subsidiaries and 2 Associates.

The toy business has been relying on a few OEM customers in the USA. As the USA is under recession without any sign of immediate recovery and the issue of war between the USA and Iraq looms large, consumer confidence in the USA has plunged to a low level and the economy of the USA has been shaken by the sluggish labour market and the sinking of stocks. As affected by the market in the USA, the global economy remains gloomy.

As disclosed in the annual report of the Group for the year ended 31 December 2001, the Toy Business was the only business segment of the Group and the turnover, which relied on the market of North America (principally the USA), constitutes 82.04% and 74.6% of the total turnover of the Group in the financial years of 2000 and 2001 respectively.

Due to the sluggish market in the USA and the gloomy global economy, orders from such OEM customers were not enough to support the operation costs of the Toy Business and the turnover of the Group had shrunk by approximately 11.26% from approximately HK$151 million for the 9 months ended 31 December 1999 (being the date the financial year 1999 ended as the Group announced on 25 March 1999 to change the financial year end from 31 March to 31 December since 1999) to approximately HK$134 million in 2000 and was further reduced by around 15.67% to approximately HK$113 million in 2001. For the 6 months ended 30 June 2002, the turnover was stagnated by the economic turmoil to approximately HK$37 million.

Although the Group's turnover in the first 6 months in 2002 shows a slight increase compared with its turnover in the corresponding period in 2001 (approximately HK$25 million), in the Directors' opinion, the turnover in 2002 does not show an improving trend of the Toy Business because the turnover in the first 6 months in 2001 was exceptionally low due to the slow down in the US economy and the deferral of a substantial amount of sales orders to the second half of the year 2001. As a whole, the turnover of the Group has been declining during the past 3 years.

The adverse impact of the diminishing sales together with the effect of the provisions made for impairment of properties, obsolete inventories and bad and doubtful debts had inevitably depressed the Group results. The net loss of the Group before and after taxation of the Group for the 9 months ended 31 December 1999 and the financial years ended 31 December 2000 and 31 December 2001 and the 6 months ended 30 June 2002 were as follows:

	For the 6 months ended 30 Jun 2002 *(HK$'000)* *(Unaudited)*	For the financial year ended 31 Dec 2001 *(HK$'000)* *(Audited)*	For the financial year ended 31 Dec 2000 *(HK$'000)* *(Audited)*	For the 9 months ended 31 Dec 1999 (Note 1) *(HK$'000)* *(Audited)*
Net loss of the Group before taxation	(6,404)	(45,850)	(44,876)	(2,184)
Net loss of the Group after taxation	(6,455)	(45,859)	(44,875)	(2,184)
Net loss for the Toy Business before taxation	(3,305)	(45,850)	(44,876)	(2,184)
Net loss for the Toy Business after taxation	(3,305)	(45,859)	(44,875)	(2,184)
Net profit for the Group's food and beverage business before taxation and minority interest *(Note 2)*	47	Not applicable	Not applicable	Not applicable
Net profit for the Group's food and beverage business after taxation and minority interest *(Note 2)*	47	Not applicable	Not applicable	Not applicable

Note 1: 9 months in the financial year 1999 because the Group announced on 25 March 1999 to change the financial year end from 31 March to 31 December since 1999.

Note 2: The Group commenced its food and beverage business in May 2002. The results represent the results for 1 month ended on 30 June 2002 since the acquisition of Brewerkz, the company through which the Group commenced its food and beverage business, on 31 May 2002.

Comparing the losses due to the Toy Business incurred in the first 6 months in 2002 and in the corresponding period in 2001, although there is a slight reduction, the reduction is mainly resulted from the downsizing of the operation of the Toy Business. In particular, the number of employees employed for the Toy Business was substantially reduced from about 1,900 as at 30 June 2001 to about 1,400 as at 30 June 2002, representing a reduction of staff costs from about HK$8.7 million to HK$6.3 million.

Besides the above downsizing measures, the Board has made significant efforts to improve the performance of the Toy Business and the results of the Group. These efforts include introduction of new customers to diversify the customer base so as to avoid over reliance on the demand of any single OEM customer's toy items and the reinforcement of control over the resources of the Group by implementation of new material resources planning system. However, despite the measures taken by the Board to remedy the operations of the Toy Business, the turnover did not substantially improve and the operating results of the Group generated from the Toy Business continued to show a loss.

Due to the sluggish market in the USA and the gloomy global economy, the Board is of the view that the current market conditions for toy business will unlikely improve in the near future. In view of that, the Board considers that it would be in the best interests of the Company and its shareholders for the Company to diversify the Group's business and to dispose of the Toy Business in order to avoid further loss to the Group.

H. PROPOSED USE OF THE PROCEEDS

The Board intends to apply the net cash proceeds (HK$25 million less the transactional costs) from the disposal of the Toy Business as follows:

Of the net cash proceeds (HK$)	Application of the proceeds
Approximately HK$2 million	To finance the development of the Group's existing food and beverage business by financing the acquisition of 100% interest in Crystal Wines and Spirits Pte Ltd. on 18 September 2002
Approximately HK$18 million	To apply as working capital for the operation of the Group's existing food and beverage business and other related business including operation of restaurants and distribution and retail of liquors and wines and future development and expansion of such business
Approximately HK$5 million	To finance investments in other businesses which are of high potential and fast growing when suitable opportunities arise

I. FINANCIAL EFFECT OF THE DISPOSAL ON THE GROUP

The unaudited consolidated net asset value of the Group was approximately HK$60 million as at 30 June 2002. Before the disposal of the Toy Business, the unaudited consolidated net asset value of RIL and RIL's Subsidiaries and Associates was approximately HK$20 million as at 30 June 2002. Thus the net proceeds from the disposal of approximately HK$25 million will represent a profit on disposal of approximately HK$5 million (8.33%) over the consolidated net asset value of RIL and RIL's Subsidiaries and Associates.

Combining the above profit on disposal and the unaudited consolidated net asset value of the Group of approximately HK$60 million as at 30 June 2002, the proforma adjusted net asset value of the Group will be approximately HK$65 million immediately following completion of the disposal of the Toy Business.

J. DIVERSIFICATION AND CHANGE OF PRINCIPAL BUSINESS

As mentioned in the Company's annual report of 2001, with a view to diversify the Group's business, the Group commenced its food and beverage business on 31 May 2002.

As a result of the diversification of the Group's business and the disposal of the Toy Business, the principal business of the Group will be changed from toy manufacturing business to food and beverage business. The Stock Exchange has indicated that it is reviewing whether the Group can comply with the requirements of Paragraph 38 of the Listing Agreement which requires that the issuer shall have sufficient level of operations or tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to warrant the continued listing of the issuer's securities. **Shareholders and potential investors should exercise caution in dealing in the shares in the Company.**

Although the competition of food and beverage business is keen, especially before obvious revival of the global economy, the Directors are of the view that since food and beverage form part of the daily life and its consumption is steady as compared to other retail commodities, food and beverage business has room to grow even in hard times. It is also noted that China is a large market for food and beverages business. According to the National Bureau of Statistics of China reported on 22 July 2002, China's restaurant and catering sector has achieved a 15.9% year-on-year increase with national turnover increasing to RMB232.7 billion during the first half of 2002. China's wine and liquor business is also flourishing since the wine consumption in China soared 61.8% between 1994 and 2000. As a result, the Directors are of the view that food and beverage business is prosperous in China in general and that, with China's entry into the World Trade Organization, China will become a large market offering valuable business opportunities. Although the Group has no presence in China at present, the Board intends to capture those opportunities afforded by the Chinese market by expanding its food and beverage business to China when opportunities arise. The Board believes that with the Group's established branding, the Group's food and beverage business is capable to enter the Chinese market and its growing and expanding food and beverage business will make substantial improvement to the results of the Group.

At present, the food and beverage business is being carried on through the Group's two subsidiaries, namely, Brewerkz and Crystal.

The Group acquired 51% interest in Brewerkz on 31 May 2002. According to the track record before the Group acquired interest in Brewerkz, Brewerkz and its subsidiaries have made net profits after taxation for two consecutive years amounting to S$87,285 (approximately HK$386,000) for the financial year of 2001 and S$303,798 (approximately HK$1,344,000) for the financial year of 2000. Brewerkz operates the Brewerkz microbrewery and restaurant and Cafe Iguana restaurant and bar at the Riverside Point in Singapore. The Brewerkz microbrewery and restaurant is a premier brewery restaurant with a brewpub concept by combining the unique elements of a working brewery with a full service dining establishment. It won the Singapore Tourism Board's Tourism Award for "Best Dining Experience" in 1999. Brewerkz's wholly owned subsidiary, Cafe Iguana Pte Ltd., operates Cafe Iguana which is a restaurant and bar in Singapore which serves contemporary, authentic Mexican cuisine. The Board believes that with established branding, stringent cost control measures and retained customer loyalty, the Group will be able to develop and expand the Brewerkz brand elsewhere in the Asia Pacific region, in particular, China.

The Group acquired 100% interest in Crystal on 18 September 2002. Crystal is an international sourcing and distribution house for wines and spirits and also a retailer of wines. Before the Group acquired interest in Crystal, the track record of Crystal shows that, together with its subsidiaries, Crystal has made net profits after taxation for three consecutive years amounting to S$203,313 (approximately HK$900,000) for the financial year of 1999, S$248,413 (approximately HK$1,099,000) for the financial year of 2000 and S$16,000 (approximately HK$71,000) for the 15 months ended 31 March 2002 (due to a change of the financial year end from 31 December to 31 March). The net profits for the 15 months ended 31 March 2002 decreased due to an increase of operating costs as a result of business expansion. Crystal has a wide spectrum of customers ranging from on-premises areas like hotels, restaurants, pubs, discos, night clubs, bars and KTV lounges to off-premises areas like individual retailers, supermarkets, duty free outlets to private consumers through the retail operations. Crystal also creates and owns its own brand for Whisky, Vodka, Gin and Rum under the brand of "Crystal Club" and for wine under the label of "Crystal Reserve" for exports. Crystal's management has more than 35 years of track record in the wines and spirits industry. Going forward, Crystal will make substantial contribution to the Group's performance.

The turnover of the food and beverage business carried on by the Group is HK$3.1 million for the one-month period commencing from 31 May 2002 to 30 June 2002 and the net profits before taxation and minority interest for the same period is HK$47,000. These results are insignificant since they only represent one month's results since the Group commenced the food and beverage on 31 May 2002. For the period between 1 July 2002 and 31 August 2002, the total unaudited profits before taxation of Brewerkz and Crystal were approximately HK$779,000.

Further, since the Group's existing food and beverage business has established existing business operations through both Brewerkz and Crystal, the Board is of the view that despite the Group changing its principal business from toy manufacturing business to food and beverage business, the Group has a sufficient level of operations and has tangible assets of sufficient value and potential value to warrant the continued listing of the shares in the Company as required under Paragraph 38 of the Listing Agreement.

K. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the shares of the Company have been suspended from trading on the Stock Exchange since 9:30 a.m. on 24 September 2002 pending the publication of this announcement. The Board has applied for resumption of trading of the shares in the Company on the Stock Exchange from 9:30 a.m. on 4 October 2002.

L. CIRCULAR TO SHAREHOLDERS OF THE COMPANY

A circular containing the information of the disposal of the Toy Business will be issued to the shareholders of the Company in accordance with Chapter 14 of the Listing Rules.

M. DEFINITIONS

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

"associate"	having the meaning ascribed thereto under Rule 1.1 of the Listing Rules
"Associates"	in relation to a company, means any company in the equity capital of which the first mentioned company is directly or indirectly interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which its subsidiary or holding company or a fellow subsidiary of any such holding company
"Board"	the board of directors of the Company
"Brewerkz"	Brewerkz Singapore Pte Ltd., a company incorporated in Singapore with limited liability, which is a subsidiary of Masindo International Limited, an indirect subsidiary of the Company
"Company"	Rockapetta Holdings Limited, a company incorporated in Bermuda with limited liability with its issued shares listed on the Stock Exchange
"Consideration"	the aggregate consideration, being HK$25 million, for the disposal of 35% and 65% of all issued shares in RIL by the Company to Mr. Chung and Ms. Tea respectively
"Crystal"	Crystal Wines and Spirits Pte Ltd., a company incorporated in Singapore with limited liability, which is a wholly owned subsidiary of Bestcorp Investments Inc., a wholly owned subsidiary of the Company
"Directors"	the directors of the Company
"First Agreement"	the sale and purchase agreement dated 6 September 2002 and entered into between the Company and Mr. Chung
"Group"	the Company and its subsidiaries
"High Court of Hong Kong"	the Court of First Instance of the High Court of the Hong Kong Special Administrative Region
"HK$"	Hong Kong dollar(s)
"Listing Agreement"	the Listing Agreement entered into between the Company and the Stock Exchange, as may be amended from time to time in accordance with Part B of Appendix 7 of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Chung"	Chung Siu Hung, an independent third party purchaser under the First Agreement who is not connected with the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their associates. Mr. Chung is a merchant engaged in cosmetic related business in the People's Republic of China.
"Ms. Tea"	Tea Shiow Ling Katheryna, an independent third party purchaser under the Second Agreement who is not connected with the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their associates. Ms. Tea is a merchant engaged in the business of trading stainless steel in the People's Republic of China.
"OEM"	original equipment manufacturing, whereby products are manufactured, in whole or in part, in accordance with the specifications of the customers and are marketed under the customers' own brand names
"RMB"	Renminbi, the lawful currency of the People's Republic of China
"RIC"	RIC Trading Limited (formerly known as Rockapetta Industrial Company Limited), a wholly owned subsidiary of RIL
"RIL"	Rockapetta Investment Limited, a company incorporated in the British Virgin Islands with limited liability which is a subsidiary of the Company
"RIL's Subsidiaries and Associates"	Grand Extend Investments Limited, Jade Mark Holdings Limited, Mitsuyo Seiki (HK) Company Limited, Rockapetta Industrial Zone Company Limited, Rockapetta International Limited, Rockapetta OEM Limited, Rockapetta Toys Limited, Rockapetta Toys Manufacturing Company Limited, Rockasport Limited, Shenzhen Rockapetta Toys Company Limited, Sanyu (BVI) Limited, Sanyu Engineering Company Limited, RIC Trading Limited, Hong Kong Rockapetta Toys Limited and Kingmax International Corporation
"Second Agreement"	the sale and purchase agreement dated 23 September 2002 and entered into between the Company and Ms. Tea
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	having the meaning ascribed thereto under Rule 1.1 of the Listing Rules
"S$"	the lawful currency of Singapore
"Toy Business"	the business of designing, manufacturing, selling and distributing baby products, mainly musical toys and components, plastic and electronic toys, ride-on cars and motorized toy vehicles carried on by RIL and RIL's Subsidiaries and Associates
"USA"	the United States of America
"US$"	the lawful currency of the USA

By Order of the Board of
Rockapetta Holdings Limited
Chan Sheung Wai
Chairman

Hong Kong, 3 October 2002