



ROCKAPETTA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

By the First Agreement dated 31 May 2002 entered into between Bestcorp, Mr. Hartono Tjahjadi and Masindo, Bestcorp agreed to subscribe for 952,000 new shares in Masindo, representing 80% of the enlarged share capital of Masindo, for a total cash consideration of US\$952,000 (equivalent to approximately HK\$7,426,000). The principal asset of Masindo is its 51% interest in Brewerkz which operates the microbrewery restaurant at the Riverside Point in Singapore and Brewerkz owns 100% interest in Café Iguana Pte Ltd, which operates a restaurant and bar in the same location.

On 15 October 2002, Masindo entered into a Second Agreement with BI and BT by which Masindo agreed to acquire and BI and BT agreed to dispose of their total 49% interests in Brewerkz for an aggregate cash consideration of S\$1,972,250 (equivalent to approximately HK\$8,727,000).

The First and Second Agreements, when aggregated, constitute discloseable transactions under Rule 14.12 of the Listing Rules. BI and BT are the substantial shareholders of Brewerkz (an indirectly 51% owned subsidiary of the Company upon the completion of First Agreement), accordingly, the entering of the Second Agreement by Masindo with BI and BT constitutes a connected transaction of the Company under rule 14.26(1) of Listing Rules. The First and Second Agreement, when aggregated, constitute discloseable transactions under rule 14.12 of the Listing Rules and a connected transaction under rule 14.26(1) of the Listing Rules and the completion of the Second Agreement is subject to Shareholders' approval in a special general meeting of the Company.

On 17 October 2002, Masindo and Brewerkz entered into a Service Agreement with Mr. Devin Otto Kimble, an existing director of Brewerkz, under which, a conditional Incentive Option has been granted to Mr. Devin Otto Kimble to require upon the fulfillment of certain conditions that Masindo transfers to him 20% of Masindo's shareholding in Brewerkz at the time of exercise of the Incentive Option for a nominal gross sum of S\$1.00 (equivalent to approximately HK\$4.43). If this Incentive Option is exercised, it will result in Masindo having a shareholding interest of 80% in the share capital of Brewerkz. Given the 90% interest in Masindo held by the Company, the effective shareholding in Brewerkz held by the Company would be decreased to 72%. In addition, a conditional Call Option has been granted to Mr. Devin Otto Kimble to subscribe for 389,000 new ordinary shares, equivalent to 10% of Brewerkz's enlarged capital following the exercise of the Call Option at a price of S\$0.30 (equivalent to approximately HK\$1.33) per share. On this basis, the value of the Call Option would amount to approximately S\$116,700 (equivalent to approximately HK\$516,300). The exercise price of S\$0.30 per share is based on the estimated net asset value of Brewerkz of approximately S\$0.24 per share as at 31 December 2004. The Call Option, which is only exercisable if the Incentive Option is not exercisable, is also subject to the fulfillment of similar conditions as the Incentive Option except that lower profit targets for the three years ending 31 December 2004 is required. If this Call Option is exercised, it will result in Masindo having a shareholding interest of 90% in the enlarged share capital of Brewerkz. Given the 90% interest in Masindo held by the Company, the effective shareholding in Brewerkz held by the Company would be decreased to 81%.

Mr. Devin Otto Kimble, being a director of Brewerkz which became a subsidiary of the Company after the completion of First Agreement, is a connected person of the Company and the grants of the Incentive Option and the Call Option to him constitute connected transactions of the Company under rule 14.26(4) of the Listing Rules. The grants of the Incentive Option and the Call Option are therefore conditional upon, among other things, approval by the Shareholders at a special general meeting of the Company.

A circular of the Company containing, among other things, details of the First and Second Agreements, the Service Agreement, the Incentive Option and the Call Option, and a notice convening a special general meeting of the Company will be despatched to the Shareholders as soon as practicable. An independent financial adviser will be appointed to advise an independent committee of the board of directors of the Company on the fairness and reasonableness of the Second Agreement and the Service Agreement including the grants of the Incentive Option and the Call Option.

A submission has been submitted to the Stock Exchange by the Company relating to 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 and the Stock Exchange is reviewing such submission. **Shareholders and potential investors should exercise caution in dealing in the shares of the Company.**

ACQUISITION OF BREWERKZ

A. The First Agreement

Date of the First Agreement
31 May 2002

<i>Parties</i>	
Subscriber:	Bestcorp
Investee:	Masindo
Existing shareholder of investee:	Mr. Hartono Tjahjadi

Assets acquired

Pursuant to the First Agreement, Bestcorp agreed to subscribe at par for 952,000 new shares of US\$1 each in Masindo, representing 80% of the enlarged share capital of Masindo. Upon the completion of First Agreement, Mr. Hartono Tjahjadi's shareholding in Masindo decreased from 100% to 20% of the enlarged share capital of Masindo. At the time of signing of the First Agreement, Masindo and Mr. Hartono Tjahjadi were not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates. The principal asset of Masindo is its 51% interest in Brewerkz which in turn owns a 100% interest in Café Iguana Pte Ltd.

Consideration

The consideration for the subscription of new shares in Masindo was US\$952,000 (equivalent to approximately HK\$7,426,000), which was settled by cash from internal resources of the Company upon completion on 31 May 2002. The consideration was arrived at after arm's length negotiation between Bestcorp, Mr. Hartono Tjahjadi and Masindo.

Conditions precedent

1. Bestcorp being satisfied with the results of the due diligence including investigations of Masindo and the titles of Masindo to its respective properties and assets;
2. No new issues of shares of Masindo and no options in respect of the unissued shares of Masindo granted or agreed to be granted from the date of the First Agreement to the completion date of the First Agreement; and
3. Mr. Hartono Tjahjadi irrevocably and unconditionally waiving his pre-emption rights in respect of the issue of new shares by Masindo.

Reasons for the acquisition

As stated in the Company's annual report of 2000 and 2001, the management of the Group has been continuously reviewing new investment opportunities that have good prospects and diversifying the business of the Group. The acquisition of Brewerkz diversified the business of the Group and facilitated its further expansion into the food and beverage business.

Basis of consideration

The consideration for the subscription of 952,000 new shares in Masindo by Bestcorp was US\$1 each at par, which was settled in cash upon completion on 31 May 2002. The consideration was arrived at after arm's length negotiation between Bestcorp and Mr. Hartono Tjahjadi with reference to the unaudited proforma net asset value of Masindo as at 30 April 2002, which was approximately S\$1,582,000 (equivalent to approximately HK\$7,000,000). The Directors are of the view that the consideration is on normal commercial terms and is fair and reasonable insofar as the Shareholders are concerned.

Completion

Completion took place on 31 May 2002.

B. The Second Agreement

Date of the Second Agreement
15 October 2002

<i>Parties</i>	
Purchaser:	Masindo
Vendors:	BI and BT

Assets acquired

Pursuant to the Second Agreement, Masindo agreed to acquire and BI and BT agreed to dispose their respective 1,715,000 shares of S\$1 each, representing a total of 49% interest in Brewerkz which owns 100% interest in Café Iguana Pte Ltd. Both BI or BT are not connected with the directors, chief executives or substantial shareholders of the Company or Masindo.

Consideration

The consideration for the 49% of the entire issued shares in Brewerkz will be S\$1,972,250 (equivalent to approximately HK\$8,727,000) or US\$1,111,000 and is payable in full in cash upon completion of the Second Agreement. The consideration will be fully funded by a subscription by Bestcorp of 1,111,000 new shares of US\$1 each in Masindo at par, with the result that the Company's interest in Masindo would increase to approximately 90%.

Basis of Consideration

The consideration was arrived at after arm's length negotiation between Masindo and BI and BT with reference to the unaudited net asset value as at 30 June 2002 of Brewerkz, which was approximately S\$2,483,000 (equivalent to approximately HK\$10,987,000).

Conditions precedent

Completion of the Second Agreement is subject to, among other things, the following outstanding conditions:

- (1) all necessary consents or approvals to be granted by third parties, bankers, financial institutions or governmental or regulatory authorities or competent authorities having jurisdiction over the sale of the shares held by BT and BI being obtained by Masindo, BT and BI;
- (2) the Company complying with the Listing Rules, including and without limitation, notifying the Stock Exchange of the transactions contemplated by the Second Agreement (together with any transaction that may be considered as a series of transactions pursuant to the Listing Rules), publishing a relevant announcement, issuing a circular to the Shareholders, and if applicable, obtaining the relevant Shareholders' approval;
- (3) BI procuring the passing of a shareholders' resolution at a duly convened extraordinary general meeting of BI to be held to change its name of "Brewerkz Investments Singapore Pte Ltd" to a name (always subject to approval by Masindo) that will not contain the name "Brewerkz" or a name similar to or likely to be confused with the name "Brewerkz" ("change of name");
- (4) where any consent or approval required pursuant to conditions precedent is subject to any conditions, such conditions being reasonably acceptable to Masindo on which they are imposed, and if such conditions are required to be fulfilled before completion, such conditions being fulfilled before completion and such consents or approvals not being revoked or repealed on or before completion; and
- (5) the passing of resolutions by the directors of Brewerkz approving and accepting the resignation of Allan Nisbet, a director of Brewerkz.

BI, BT and Masindo shall use their best endeavours to procure the fulfillment of the conditions precedent, and in particular, shall furnish such information, supply such documents, and do all such acts and things as may be required to enable such conditions precedent to be fulfilled.

If any one of the conditions precedent is not fulfilled or waived on or before 13 January 2003 or such other date as BI, BT and Masindo may agree in writing, the Second Agreement shall cease and determine and none of BI, BT and Masindo shall have any claim against the other for costs, damages, compensation or otherwise, except in respect of antecedent breaches of the Second Agreement.

Reasons for the acquisition

In line with the Group's strategy to expand its food and beverage business, the acquisition of the remaining 49% interest in Brewerkz provides the Group with an opportunity to have full control of Brewerkz to execute and develop its expansion plan more effectively.

As a result of the completion of the First Agreement and Second Agreement, the Group will hold 100% interest in Brewerkz through Masindo, a company in which the Group has a 90% equity interest and in line with this diversification strategy, the acquisition of Brewerkz has broadened the scope of business of the Group and facilitated its further expansion into the food and beverage business.

C. Information on Brewerkz

Brewerkz operates "Brewerkz Restaurant & Microbrewery" since June 1997 which is a microbrewery restaurant at Riverside Point in Singapore with a total gross floor area of approximately 10,370 square feet. The microbrewery 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, Café Iguana Pte Ltd., operates a restaurant and bar since July 2000 at Riverside Point in Singapore with a total gross floor area of approximately 2,180 square feet which serves contemporary, authentic Mexican cuisine.

The audited consolidated profit before and after tax of Brewerkz for each of the two financial years ended 31 December 2000 and 31 December 2001 was approximately S\$310,000 (equivalent to approximately HK\$1,372,000) and S\$304,000 (equivalent to approximately HK\$1,345,000), and S\$111,000 (equivalent to approximately HK\$491,000) and S\$87,000 (equivalent to approximately HK\$385,000), respectively. The unaudited loss before and after tax of Brewerkz for the six months period ended 30 June 2002 was approximately S\$101,000 (equivalent to approximately HK\$447,000) and approximately S\$101,000 (equivalent to approximately HK\$447,000), respectively.

D. Implication on Listing Rules

BI and BT are the substantial shareholders of Brewerkz (an indirectly 51% owned subsidiary of the Company) and accordingly the entering of the Second Agreement by Masindo with BI and BT constitutes a connected transaction under rule 14.26 of the Listing Rules. The completion of the Second Agreement is subject to Shareholders' approval at a special general meeting of the Company.

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, when aggregated, constitutes discloseable transactions under rule 14.12 of the Listing Rules as the aggregate consideration of the First and Second Agreement of HK\$16.2 million constitutes more than 15% but less than 50% of the adjusted consolidated net tangible asset value of the Group as at 30 June 2002. Accordingly, a circular containing, among other things, details of the First Agreement and Second Agreement will be despatched to the Shareholders as soon as practicable.

SERVICE AGREEMENT

On 17 October 2002, Masindo and Brewerkz entered into a Service Agreement with Mr. Devin Otto Kimble, an existing director of Brewerkz, under which, an Incentive Option and a Call Option have been granted to Mr. Devin Otto Kimble. Subject to the fulfillment of certain conditions, as detailed below, Mr. Devin Otto Kimble may either exercise the Incentive Option or Call Option but not both of them.

Subject to the fulfillment of certain conditions, as detailed below, Masindo will transfer to Mr. Devin Otto Kimble its 20% shareholding interests in Brewerkz at the time of exercise of the Incentive Option for a nominal gross sum of S\$1.00 (equivalent to approximately HK\$4.43). The estimated aggregate net asset value of the shares to be transferred under the Incentive Option of Brewerkz is S\$168,000 (equivalent to approximately HK\$743,000) assuming a profit after tax target of S\$2.3 million (equivalent to approximately HK\$10.2 million) over the period commencing from 1 January 2002 and ending on 31 December 2004, and the return of S\$4 million to Masindo through dividend and the capital reduction of Brewerkz as stated below in items (a) and (c) under the terms of the Incentive Option are achieved. If this Incentive Option is exercised, it will result in Masindo having a shareholding interest of 80% in the share capital of Brewerkz. In addition, a Call Option, which is not exercisable if the Incentive Option becomes exercisable, has been granted to Mr. Devin Otto Kimble to subscribe for 389,000 new ordinary shares, equivalent to 10% of Brewerkz's enlarged capital following the exercise of the Call Option at a price of S\$0.30 (equivalent to approximately HK\$1.33) per share. On this basis, the value of the Call Option would amount to approximately S\$116,700 (equivalent to approximately HK\$516,300). The exercise price of S\$0.30 per share is based on the estimated net asset value of Brewerkz of approximately S\$0.24 per share as at 31 December 2004 assuming a profit after tax target of S\$2.3 million (equivalent to approximately HK\$10.2 million) over the period commencing from 1 January 2002 and ending on 31 December 2004, and the return of S\$4 million to Masindo through dividend and the capital reduction of Brewerkz as stated below in items (a) and (c) under the terms of Call Option are achieved. The Call Option is also subject to the fulfillment of similar conditions as the Incentive Option except that lower profit targets for the three years ending 31 December 2004 are required, as detailed below. If this Call Option is exercised, it will result in Masindo having a shareholding interest of 90% in the enlarged share capital of Brewerkz.

The Service Agreement shall commence on the date immediately from the completion of the Second Agreement, which is expected to be on or before 3 December 2002, for a fixed period of three years with an option to renew as deemed appropriate by the Board on terms to be agreed with respective parties under the Service Agreement

A. Reasons for the Incentive Option and Call Option

Mr. Devin Otto Kimble is the managing director of Brewerkz. He has been managing the business of Brewerkz since it started operations in 1997 and he plays an important role in driving the business of Brewerkz. The grants of the Incentive Option and the Call Option based on different profit targets serve as an incentive to motivate him to pursue profitability growth for Brewerkz and therefore benefits the Company. The Directors, including the independent non-executive Directors, are of the view that the Incentive Option and the Call Option are fair and reasonable and for the benefits of the Shareholders as a whole.

B. Connected transaction

As Mr. Devin Otto Kimble is an existing director of Brewerkz which became a subsidiary of the Company after the completion of First Agreement, the grants of the Incentive Option and Call Option to Mr. Devin Otto Kimble to require Masindo to transfer shares to him or entitle him to subscribe for new shares in Brewerkz constitute connected transactions under rule 14.26(4) of the Listing Rules and they will be conditional upon, among other things, approval by the Shareholders at a special general meeting of the Company. Details of the approval will be set out in a circular to be issued by the Company as stated above.

C. Terms

i. Terms of the Incentive Option

Under the terms of the Service Agreement, an Incentive Option is granted to Devin Otto Kimble to require that Masindo transfers to him 20% of Masindo's shareholding in the capital of Brewerkz at the time of exercise of the Incentive Option for a nominal gross sum of S\$1.00 (equivalent to approximately HK\$4.43), if:

- Brewerkz and its subsidiaries shall have achieved a cumulative audited consolidated net profit after tax of S\$2.3 million (equivalent to approximately HK\$10,178,000) or more over the period commencing from 1 January 2002 and ending on 31 December 2004;
- Brewerkz and its subsidiaries shall have achieved minimum audited consolidated net profit after tax of S\$900,000 (equivalent to approximately HK\$3,983,000) for the financial year ending on 31 December 2003; and
- Brewerkz returns to Masindo S\$4 million (equivalent to approximately HK\$17,700,000) from the commencement of the Service Agreement and ending on 31 December 2006, whether through dividends, capital reduction or otherwise.

Mr. Devin Otto Kimble shall be entitled to exercise the Incentive Option from the period commencing from 1 January 2005 and ending on 31 December 2006.

If the Incentive Option is exercised, it will result in Masindo having a shareholding interest of 80% in the share capital of Brewerkz. Given the 90% interest in Masindo held by the Company, the effective shareholding in Brewerkz held by the Company would be decreased to 72%.

ii. Terms of the Call Option

Under the terms of the Service Agreement, a Call Option is granted to Mr. Devin Otto Kimble to subscribe for new ordinary shares equivalent to 10% of Brewerkz's enlarged capital following the exercise of the Call Option, if:

- Brewerkz and its subsidiaries shall have achieved a cumulative audited consolidated net profit after tax of more than or equal to S\$1.8 million (equivalent to approximately HK\$7,965,000) but less than S\$2.3 million (equivalent to approximately HK\$10,178,000) over the period commencing from 1 January 2002 and ending on 31 December 2004; and
- Brewerkz and its subsidiaries shall have achieved a minimum audited consolidated net profit after tax of S\$800,000 (equivalent to approximately HK\$3,540,000) for the financial year ending 31 December 2003; and
- Brewerkz returns to Masindo S\$4 million (equivalent to approximately HK\$17,700,000) from the commencement of the Service Agreement and ending on 31 December 2006, whether through dividends, capital reduction or otherwise.

Mr. Devin Otto Kimble shall be entitled to exercise the Call Option from the period commencing from 1 January 2005 and ending on 31 December 2006. After 31 December 2006, the Call Option will lapse accordingly.

If the Call Option is exercised, it will result in Masindo having a shareholding interest of 90% in the enlarged share capital of Brewerkz. Given the 90% interest in Masindo held by the Company, the effective shareholding in Brewerkz held by the Company would be decreased to 81%.

GENERAL

The Company is an investment holding company. The Group currently carries on the food and beverage business and related businesses in Singapore and South East Asia.

BI and BT are the substantial shareholders of Brewerkz (an indirectly 51% owned subsidiary of the Group upon the completion of the First Agreement on 31 May 2002), accordingly, the entering of the Second Agreement by Masindo with BI and BT constitutes a connected transaction under 14.26(1) of the Listing Rules. The First and Second Agreement, when aggregated, constitute discloseable transactions under rule 14.12 of the Listing Rules and the Second Agreement constitutes a connected transaction under rule 14.26(1) of the Listing Rules and the completion of the Second Agreement is subject to Shareholders' approval in a special general meeting of the Company.

The grants of the Incentive Option and the Call Option to Mr. Devin Otto Kimble constitute connected transactions of the Company under the Listing Rules since Mr. Devin Otto Kimble is a director of a subsidiary of the Company. This transaction is subject to the approval by Shareholders at a special general meeting of the Company. As no Shareholders are interested in the Service Agreement and the Second Agreement, all the Shareholders can vote on the resolution regarding the Service Agreement including the grants of the Incentive Option and the Call Option and the Second Agreement.

A circular of the Company containing, among other things, details of the First and Second Agreements, Service Agreement including the grants of the Incentive Option and the Call Option, and a notice convening a special general meeting of the Company will be despatched to Shareholders as soon as practicable. An independent financial adviser will be appointed to advise an independent committee of the board of Directors on the fairness and reasonableness of the Service Agreement including the grants of the Incentive Option and the Call Option and the Second Agreement.

A submission has been submitted to the Stock Exchange relating to the requirements of paragraph 38 of the Listing Agreement which require 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 and the Stock Exchange is reviewing such submission. **Shareholders and potential investors should exercise caution in dealing in the shares of the Company.**

DEFINITIONS

"associate"	has the meaning ascribed to it in the Listing Rules
"Bestcorp"	Bestcorp Investments Inc, a company incorporated in the British Virgins Island with limited liability, is a wholly own subsidiary of the Company
"BI"	Brewerkz Investments Singapore Pte Ltd, a company incorporated in Singapore with limited liability, holds 33% interest in Brewerkz before completion of the First Agreement. Except the shareholding of 12.01% held by employees of Brewerkz, the company is owned by independent third parties and its principal activity is investment holding. The company is a substantial shareholder of Brewerkz, an indirectly 51% owned subsidiary of the Company
"Brewerkz"	Brewerkz Singapore Pte Ltd., a company incorporated in Singapore with limited liability, an indirect subsidiary of the Company. As at the date of this announcement, the Company holds 51% interest in Brewerkz through Masindo. The shareholding interest will increase to 100% upon the completion of the Second Agreement
"BT"	BT Asia Pacific Ltd, a company incorporated in British Virgins Islands with limited liability, holds 16% interest in Brewerkz before completion of the First Agreement. The company is owned by independent third parties and its principal activity is investment holding. The company is a substantial shareholder of Brewerkz, an indirectly 51% owned 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
"Call Option"	a conditional call option is granted to Mr. Devin Otto Kimble to subscribe for 389,000 new ordinary shares, equivalent to 10% of Brewerkz's enlarged capital following the exercise of the conditional call option, at the exercise price of S\$0.3 per share and he shall be entitled to exercise the call option from the period commencing from 1 January 2005 and ending on 31 December 2006
"Directors"	the directors of the Company
"First Agreement"	a subscription agreement dated 31 May 2002 entered into between Bestcorp, Mr. Hartono Tjahjadi and Masindo
"Group"	the Company and its subsidiaries
"Mr. Hartono Tjahjadi"	Mr. Hartono Tjahjadi, an independent third party under the First Agreement and is engaged in the business of catering and hospitality
"Incentive Option"	a conditional incentive option is granted to Mr. Devin Otto Kimble to require Masindo transfers to him 20% of Masindo's shareholding in the capital of Brewerkz at the time of exercise of the conditional incentive option for a nominal gross sum of S\$1.00 and he shall be entitled to exercise the incentive option from the period commencing from 1 January 2005 and ending on 31 December 2006
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Masindo"	Masindo International Limited, a company incorporated in the British Virgin Islands with limited liability. Since the completion of First Agreement, the Company holds 80% in Masindo International Limited, which became a subsidiary of the Company
"Second Agreement"	a Sale & Purchase Agreement dated 15 October 2002 entered into between Masindo, BI and BT
"Service Agreement"	the Service Agreement dated 17 October 2002 entered into between Masindo, Brewerkz and Mr. Devin Otto Kimble
"Shareholders"	the shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars
"S\$"	the lawful currency of Singapore
"US\$"	the lawful currency of USA

In this announcement, the exchange rates of S\$1 to HK\$4.425 and US\$1 to HK\$7.80 have been used for reference only.

By the order of the Board
Rockapetta Holdings Limited
Chan Sheung Wai
Executive Director