



ROCKAPETTA HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

CONNECTED TRANSACTION  
ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF CRYSTAL WINES & SPIRITS PTE LTD

On 18 September 2002, the Purchaser (Bestcorp Investments Inc., one of the wholly owned subsidiary of the Company), entered into an Agreement with Vendors pursuant to which the Purchaser agreed to acquire and the Vendors agreed to dispose of their entire interests in CWS for an aggregate cash consideration of S\$500,000 (equivalent to approximately HK\$2.22 million).	
CWSI, one of the Vendors, is wholly owned by Peter Lim Eng Hock who also holds 100% interest in Charm, the substantial shareholder holding 28% equity interest of the Company and hence an associate of the substantial shareholder of the Company, and accordingly, the entering of the Agreement by the Purchaser with CWSI constitutes a connected transaction. As the consideration amount for the Acquisition is within the de-minimis exemption in respect of the connected transactions under Rule 14.25(1) of the Listing Rules, this Acquisition is not subject to shareholders approval and the details of which will be included in the Company's next published annual report and accounts in accordance with Rule 14.25 of the Listing Rules.	
Under the terms of the Agreement, a Conditional Offer is granted to Lee Boon Par, an existing director of CWS and SSPL (which is a wholly owned subsidiary of CWS) who will continue to be a director of CWS and SSPL after the Completion, to subscribe for 490,000 new shares of S\$1 each amounting to S\$490,000 (equivalent to approximately HK\$2,168,000) in the capital of SSPL. Lee Boon Par, being the director of CWS and SSPL, is a connected person of the Company and the grant of the Conditional Offer to him to subscribe for new shares of SSPL constitutes a connected transaction of the Company under Rule 14.26(4) of the Listing Rules and it will be conditional upon, among other things, approval by the Independent Shareholders at a special general meeting of the Company and Charm and its associates will abstain from voting.	
Under the terms of the Agreement, Lee Chiang Choon Derek and Tan Wee Han shall subscribe after the Completion and before 1 January 2003 for cash at par for new shares in the capital of WSPL (which is a wholly owned subsidiary of CWS) such that CWS, Lee Chiang Choon Derek and Tan Wee Han will hold 600,000 shares, 100,000 shares and 300,000 shares of \$1 each in the capital of WSPL and the resulting issued and paid up capital of WSPL shall be S\$1 million on and from 1 January 2003. Lee Chiang Choon Derek and Tan Wee Han, being the directors of CWS and WSPL, are connected persons of the Company and the Subscription of shares by them constitutes a connected transaction of the Company under Rule 14.26(3) of the Listing Rules and it will be conditional upon, among other things, approval by the Independent Shareholders at a special general meeting of the Company and Charm and its associates will abstain from voting.	
A circular of the Company containing, among other things, details of the Conditional Offer and the Subscription, a letter from the independent board committee of the Company containing its recommendation to the Independent Shareholders, a letter from the independent financial adviser to the independent board committee of the Company and a notice convening a special general meeting of the Company will be despatched to the shareholders as soon as practicable.	

ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF CRYSTAL WINES & SPIRITS PTE LTD

On 18 September 2002, the Purchaser, entered into an Agreement with Vendors pursuant to which the Purchaser agreed to acquire and the Vendors agreed to dispose of their entire interests in CWS for an aggregate cash consideration of S\$500,000 (equivalent to approximately HK\$2.22 million).

Summary of the Agreement

Vendors:	(i) Lee Boon Par, Lee Chiang Choon Derek, Tan Wee Han, Tan Wee Tuck and Ebberston, each an independent third party not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates (as defined under the Listing Rules). (ii) CWSI, is wholly owned by Peter Lim Eng Hock who holds 100% interest in Charm, the substantial shareholder holding 28% interest of the Company
Purchaser:	Bestcorp Investments Inc., an investment holding company incorporated in the British Virgin Islands with limited liability, is a wholly owned subsidiary of the Company.
Asset to be acquired:	The entire equity interest in CWS, which means 6,400,000 issued and fully paid up ordinary shares of S\$0.05 each in the capital of CWS. CWS has two wholly owned subsidiaries, being WSPL and SSPL.
Consideration:	The Consideration for the Acquisition of the entire equity interest in CWS amounted to S\$500,000 (equivalent to approximately HK\$2.22 million) and is payable in full in cash upon Completion. The Consideration will be fully funded by internal resources of the Group.
Conditions:	The Agreement is conditional upon a due diligence review to be undertaken by the Company and all necessary consents or approvals to be granted by bankers, governmental or regulatory authorities.
Completion:	Subject to the satisfaction of the conditions referred to above, Completion will take place on 23 September 2002 or such other date as the Vendors and the Purchaser may agree in writing, which in any event shall not be later than seven Business Days from 23 September 2002.

Connected Transaction

Under the Listing Rules, CWSI is an associate of Peter Lim Eng Hock who holds 100% interest in Charm, the substantial shareholder who holds 28% of equity interest of the Company and hence an associate of the substantial shareholder of the Company, and accordingly, the entering of the Agreement by the Purchaser with CWSI constitutes a connected transaction of the Company according to the Listing Rules. As the consideration amount for the Acquisition is within the de-minimis exemption in respect of the connected transactions under Rule 14.25(1) of the Listing Rules, this Acquisition is not subject to shareholders approval and the details of it will be included in the Company's next published annual report and accounts in accordance with Rule 14.25(1) of the Listing Rules.

Information on CWS

CWS, a company incorporated in Singapore with limited liability, specialises in sourcing and distribution of all popular market leading wine and spirits brands and is also a retailer of wines. CWS holds two wholly owned subsidiaries, WSPL and SSPL. As at the date of this announcement, both WSPL and SSPL are inactive limited company incorporated in Singapore with two paid up ordinary shares of S\$1 each.

The existing director of CWS includes Lee Boon Par, Lee Chiang Choon Derek, Tan Wee Han, Ricky Goh Hoon Kan and Winston Choo Wee Leong. Ricky Goh Hoon Kan and Winston Choo Wee Leong will retire upon the Completion. Lee Boon Par and Sean Lee Cheng Kok is also the existing director of SSPL and Lee Boon Par will continue to act as the director after Completion. Lee Chiang Choon Derek and Tan Wee Han is also the existing director of WSPL and will continue to act as the director after Completion.

The audited revenue and profit before tax of CWS for the financial year ending on 31 December 2000 were approximately S\$4 million (equivalent to approximately HK\$17.7 million) and approximately S\$341,000 (equivalent to approximately HK\$15 million) respectively. CWS has changed the year end date in 2001 from 31 December to 31 March and accordingly, the unaudited revenue and profit before tax of CWS for the 15 months ending on 31 March 2002 were approximately S\$23.5 million (equivalent to approximately HK\$104 million) and approximately S\$16,000 (equivalent to approximately HK\$71,000) respectively. The net assets of CWS was approximately S\$563,000 (equivalent to approximately to HK\$2,491,000) and approximately S\$942,000 (equivalent to approximately HK\$4,169,000) as at 31 December 2000 and 31 March 2002 respectively.

Reasons for the Acquisition

In line with the Group's strategy to diversify its business and seek new investment opportunities that have good prospects, the Acquisition will broaden the scope of business of the Group and facilitate its further expansion into the food and beverage business.

Basis of consideration

The consideration of S\$500,000 (equivalent to approximately HK\$2.22 million) was arrived at after arm's length negotiations between the Purchaser and the Vendors with reference to the unaudited consolidated net assets of CWS amounting to S\$502,198 (equivalent to approximately HK\$2,222,000) as at 31 August 2002 and it represents S\$2,198 (equivalent to approximately HK\$10,000) or 0.4% excess over the fair value of the consolidated net assets of CWS as at 31 August 2002. The Directors are of the view that the consideration is on normal commercial terms and is fair and reasonable insofar as the shareholders of the Company are concerned.

CONDITIONAL OFFER GRANTED TO LEE BOON PAR FOR SUBSCRIPTION OF NEW SHARES IN SSPL

Terms of the Conditional Offer

Under the terms of the Agreement, a Conditional Offer is granted to Lee Boon Par to subscribe for 490,000 new shares of S\$1 each in the capital of SSPL for a total cash amount of S\$490,000 (equivalent to approximately HK\$2,168,000) provided that SSPL under his directions achieved an accumulated audited net profit after tax of S\$1 million or more over the period commencing from 1 January 2003 and ending on 31 December 2004. He shall be entitled to subscribe the new shares of SSPL within 30 Business Days from the completion of the audit of such results. If Lee Boon Par exercises the option, CWS and Lee Boon Par will hold 51% and 49% respectively of the enlarged issued and paid up capital of SSPL.

Reasons for the Conditional Offer

Lee Boon Par is a director of CWS and SSPL. He has more than 20 years of excellent track record in the industry and plays an important role in driving the business of SSPL. The Conditional Offer based on specific profit target serves as an incentive to motivate him to pursue profitability growth for the company and therefore benefits the Group. The Directors (including the independent non-executive directors) are of the view that the Conditional Offer is fair and reasonable and is for the benefits of the shareholders of the Company as a whole.

Connected Transaction

As Lee Boon Par will continue to be a director of CWS and SSPL after Completion, Lee Boon Par is the connected person and the grant of Conditional Offer to Lee Boon Par to subscribe for new shares in SSPL constitutes a connected transaction under Rule 14.26(4) of the Listing Rules and it will be conditional upon, among other things, approval by the Independent Shareholders at a special general meeting of the Company and Charm and its associates will abstain from voting.

SUBSCRIPTION OF NEW SHARES IN WSPL BY LEE CHIANG CHOON DEREK AND TAN WEE HAN

Terms of the Subscription

Lee Chiang Choon Derek and Tan Wee Han shall subscribe after Completion and before 1 January 2003 for cash at par for new shares in the capital of WSPL such that CWS, Lee Chiang Choon Derek and Tan Wee Han will hold 600,000 shares, 100,000 shares and 300,000 shares of \$1 each in the capital of WSPL and the resulting issued and

paid up capital of WSPL shall be S\$1 million (equivalent to approximately HK\$4,425,000) on and from 1 January 2003.

Reasons for the Subscription

Lee Chiang Choon Derek and Tan Wee Han, are directors of CWS and WSPL. They play an important role in driving the business of WSPL. The Subscription of shares by them serves as an incentive to motivate them to pursue profitability growth for the company and therefore benefits the Group. The Directors (including the independent non-executive directors) are of the view that the Subscription is fair and reasonable and it is for the benefits of the shareholders of the Company as a whole.

Connected Transaction

As Lee Chiang Choon Derek and Tan Wee Han will continue to be directors of CWS and WSPL after Completion, Lee Chiang Choon Derek and Tan Wee Han are the connected persons and the Subscription for new shares in WSPL constitutes a connected transaction under Rule 14.26(3) of the Listing Rules and it will be conditional upon, among other things, approval by the Independent Shareholders at a special general meeting of the Company and Charm and its associates will abstain from voting.

GENERAL

The Company and the Purchaser are both investment holding companies. The Group currently carries on the toy manufacturing business in the People's Republic of China and the food and beverage business in Singapore. The food and beverage business was commenced on 31 May 2002. On the announcement "Discloseable Transactions and Winding-up petition against a subsidiary to be disposed of" on the same date of this announcement, the toy manufacturing business is proposed to be disposed of on or before 7 October 2002. Please refer to that announcement for the details of the transaction.

A circular of the Company containing, among other things, details of the Conditional Offer and the Subscription, a letter from the independent board committee of the Company containing its recommendation to the Independent Shareholders, a letter from the independent financial adviser to the independent board committee of the Company and a notice convening a special general meeting of the Company will be despatched to the shareholders as soon as practicable. Charm and its associates will abstain from voting in the special general meeting.

DEFINITIONS

"Acquisition"	the acquisition of entire equity interest in CWS from the Vendors by the Purchaser at a consideration of S\$500,000 (approximately HK\$2.2 million)
"Agreement"	the sale and purchase agreement dated 18 September 2002 entered into between the Purchaser and Vendors relating to the entire issued and paid up capital of CWS
"Business Day"	means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business
"Company"	Rockapetta Holdings Limited, a company incorporated in Bermuda with limited liability with its issued shares listed on the Stock Exchange
"Conditional Offer"	a conditional offer is granted to Lee Boon Par to subscribe for 490,000 new shares of S\$1 each in the capital of SSPL for a total cash amount of S\$490,000 and he shall be entitled to subscribe the new shares of SSPL within 30 Business Days from the completion of the audit for the year ending 31 December 2004
"CWS"	Crystal Wines & Spirits Pte Ltd., a company incorporated in Singapore with limited liability. Before Completion, it is held by Lee Boon Par, Lee Chiang Choon Derek, Tan Wee Han, Tan Wee Tuck, CWSI and Ebberston by 49.37%, 5.63%, 10.66%, 0.02%, 28.69% and 5.63% respectively
"CWSI"	CWS Investments Limited, a company engaged in investment holding and is incorporated in the British Virgin Islands with limited liability, holds 28.69% interest in CWS before Completion and it is wholly owned by Peter Lim Eng Hock who holds Charm, the substantial shareholder holding 28% interest of the Company
"Charm"	Charm Management Limited, a company incorporated in the British Virgin Islands and is the substantial shareholder holding 28% equity interest of the Company
"Ebberston"	Ebberston Associates Limited, a company incorporated in the British Virgin Islands with limited liability, holds 5.63% interest in CWS before Completion
"Independent Shareholders"	shareholders who are not involved in, or interested in, the Agreement, being shareholders of the Company other than Charm and its associates (as defined in the Listing Rules) and parties acting in concert with any of them
"Lee Boon Par"	a director of CWS and SSPL who holds 49.37% interest in CWS before Completion
"Lee Chiang Choon Derek"	a director of CWS and WSPL who holds 5.63% interest in CWS before Completion
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Purchaser"	Bestcorp Investments Inc., an investment holding company incorporated in the British Virgin Islands with limited liability, is a wholly owned subsidiary of the Company
"SSPL"	Starspeed Pte Ltd., a company incorporated in Singapore with limited liability and is wholly owned by CWS. SSPL was renamed Crystal International Distributors Pte Ltd. on 24 September 2002
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the proposed subscription by Lee Chiang Choon Derek and Tan Wee Han for 100,000 shares and 300,000 shares respectively in the capital of WSPL of \$1 each for cash at par after the Completion and before 1 January 2003
"Tan Wee Han"	a director of CWS and WSPL who holds 10.66% interest in CWS before Completion
"Tan Wee Tuck"	one of the Vendors who holds 0.02% interest in CWS before Completion
"Vendors"	Lee Boon Par, Lee Chiang Choon Derek, Tan Wee Han, Tan Wee Tuck, Ebberston and CWSI
"WSPL"	Wineflow Singapore Pte Ltd., a company incorporated in Singapore with limited liability and is wholly owned by CWS. WSPL was renamed Crystal Wines Pte Ltd on 6 September 2002
"HK\$"	Hong Kong dollars
"S\$"	Lawful currency of Singapore

In this announcement, the exchange rate of S\$1 to HK\$4.425 has been used for reference only.

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

Hong Kong, 3 October 2002