
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Rockapetta Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**ROCKAPETTA HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS

**ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF
CRYSTAL WINES & SPIRITS PTE LTD.
AND CONDITIONAL OFFER GRANTED TO A DIRECTOR OF
CRYSTAL WINES & SPIRITS PTE LTD. AND
CRYSTAL INTERNATIONAL DISTRIBUTORS PTE LTD.
AND SUBSCRIPTION GRANTED TO DIRECTORS OF
CRYSTAL WINES & SPIRITS PTE LTD. AND CRYSTAL WINES PTE LTD.**

Independent Financial Adviser to the Independent Board Committee



Kingsway Capital Limited

A letter from the board of directors of Rockapetta Holdings Limited is set out on pages 4 to 8 and a letter from the Independent Board Committee is set out on page 9 of this circular. A letter from Kingsway Capital Limited containing the advice and recommendation to the Independent Board Committee is set out on pages 10 to 12 of this circular.

A notice convening a special general meeting of Rockapetta Holdings Limited to be held at Suite 2310, Island Place Tower, 510 King's Road, Hong Kong at 10:00 a.m. (Hong Kong time) on 2 December 2002 is set out on pages 17 and 18 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy and return it in accordance with the instructions printed thereon as soon as possible to Rockapetta Holdings Limited's branch share registrar in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	9
Letter from Kingsway	10
Appendix – General information	13
Notice of SGM	17

DEFINITIONS

In this circular, the following expressions have the meaning set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the entire equity interest in CWS from the Vendors by the Purchaser at a consideration of S\$500,000 (equivalent to 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 Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business
“circular”	circular of the Company dated 25 October 2002
“Company”	Rockapetta Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Completion”	the completion of the Acquisition which took place on 2 October 2002
“Conditional Offer”	a conditional offer granted to Lee Boon Par to subscribe for 490,000 new shares at par value of S\$1 each in the capital of SSPL for a total cash amount of S\$490,000 under which he shall be entitled to subscribe for the new shares of SSPL within 30 Business Days from the date on which the audited accounts of SSPL for the year ending 31 December 2004 are approved and authorised for issue by the directors of SSPL
“CWS”	Crystal Wines & Spirits Pte Ltd., a company incorporated in Singapore with limited liability and 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 before the Completion
“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 the Completion and is wholly owned by Lim Eng Hock who holds Charm, the substantial shareholder holding 28.08% interest in the Company as at the Latest Practicable Date

DEFINITIONS

“Charm”	Charm Management Limited, a company incorporated in the British Virgin Islands and is wholly owned by Lim Eng Hock and is the substantial shareholder holding 28.08% interest in the Company as at the Latest Practicable Date
“Directors”	the directors of the Company
“Ebberston”	Ebberston Associates Limited, a company incorporated in the British Virgin Islands with limited liability and holds 5.63% interest in CWS before the Completion
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent board committee of the Company comprising Dr. Ho Tat Kin and Mr. Lam Lee G., both being independent non-executive Directors
“Independent Shareholders”	means the shareholders who are not involved in, or interested in, the Agreement, being shareholders of the Company other than Charm and its associates
“Kingsway”	Kingsway Capital Limited, an investment adviser registered under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee
“Latest Practicable Date”	23 October 2002, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lee Boon Par”	a director of CWS and SSPL and who holds 49.37% interest in CWS before the Completion
“Lee Chiang Choon Derek”	a director of CWS and WSPL and who holds 5.63% interest in CWS before the Completion
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Bestcorp Investments Inc., an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened on 2 December 2002 at 10:00 a.m. to approve the connected transactions

DEFINITIONS

“Shareholders”	holders of the Shares
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“SSPL”	formerly Starspeed Pte Ltd., a company incorporated in Singapore with limited liability and is wholly owned by CWS. Starspeed Pte Ltd. 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 S\$1 each for cash at par value 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 the Completion
“Tan Wee Tuck”	one of the Vendors who holds 0.02% interest in CWS before the Completion
“Vendors”	Lee Boon Par, Lee Chiang Choon Derek, Tan Wee Han, Tan Wee Tuck, Ebberston and CWSI
“WSPL”	formerly Wineflow Singapore Pte Ltd., a company incorporated in Singapore with limited liability and is wholly owned by CWS. Wineflow Singapore Pte Ltd. was renamed Crystal Wines Pte Ltd. on 6 September 2002
“HK\$”	Hong Kong dollars
“S\$”	the lawful currency of Singapore

In this circular, the exchange rate of S\$1 to HK\$4.425 has been used for reference only. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or the all.

LETTER FROM THE BOARD



ROCKAPETTA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Executive Directors:

Chan Sheung Wai (*Chairman*)

Ma Tak Lun (*Vice Chairman*)

Chan Lay Hoon

Foo Yong Yow

Registered office:

Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

Independent non-executive Directors:

Dr. Ho Tat Kin

Lam Lee G

*Head office and principal place
of business in Hong Kong:*

Suite 2310

Island Place Tower

510 King's Road

Hong Kong

25 October 2002

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS

**ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF
CRYSTAL WINES & SPIRITS PTE LTD.
AND CONDITIONAL OFFER GRANTED TO A DIRECTOR OF
CRYSTAL WINES & SPIRITS PTE LTD. AND
CRYSTAL INTERNATIONAL DISTRIBUTORS PTE LTD.
AND SUBSCRIPTION GRANTED TO DIRECTORS OF
CRYSTAL WINES & SPIRITS PTE LTD. AND CRYSTAL WINES PTE LTD.**

INTRODUCTION

Reference is made to the announcement of the Company dated 3 October, 2002 in relation to the Agreement under which the Acquisition constitutes a connected transaction of the Company under the Listing Rules. As the consideration of the Acquisition is within the de-minimus exemption in respect of the connected transaction under rule 14.25(1) of the Listing Rules, the 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.

LETTER FROM THE BOARD

It was also announced on 3 October, 2002 that, under the terms of the Agreement:

- (1) a Conditional Offer is granted to Lee Boon Par, an existing director of CWS and SSPL (which is a wholly owned subsidiary of CWS) to subscribe for 490,000 new shares at par value 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 a 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 will be conditional upon, among other things, the approval by the Independent Shareholders at the SGM. Lee Boon Par, Charm and their respective associates will abstain from voting on the relevant resolution in relation to the Conditional Offer.

- (2) Lee Chiang Choon Derek and Tan Wee Han shall subscribe before 1 January 2003 for cash at par value 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 S\$1 each in the capital of WSPL upon the exercise of their rights under the Subscription 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 constitutes a connected transaction of the Company under rule 14.26(3) of the Listing Rules and will be conditional upon, among other things, approval by the Independent Shareholders at the SGM. Lee Chiang Choon Derek, Tan Wee Han, Charm and their respective associates will abstain from voting on the relevant resolution in relation to the Subscription.

The main purposes of this circular are (i) to provide you with further information relating to the Conditional Offer and the Subscription; (ii) to set out the letter of advice from Kingsway to the Independent Board Committee in respect of the terms of the Conditional Offer and the Subscription and the recommendation and opinion of the Independent Board Committee; and (iii) to seek your approval at the SGM of the ordinary resolutions in relation to the Conditional Offer and the Subscription as set out in the notice of SGM.

BACKGROUND

On 18 September 2002, the Purchaser entered into an Agreement with Vendors pursuant to which 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\$2.2 million). The acquisition was completed on 2 October 2002. Under the terms of the Agreement, a Conditional Offer is granted to Lee Boon Par to subscribe for new shares in the capital of SSPL, and a Subscription is granted to Lee Chiang Choon Derek and Tan Wee Han for subscription of new shares in the capital of WSPL before 1 January 2003.

LETTER FROM THE BOARD

CWS is mainly engaged in two principal activities, which is the regional sourcing and distribution of wines and spirits in Singapore, Malaysia and Indonesia and the domestic retailing of wines and spirits in Singapore. The two principal activities described above are carried out by two divisions namely, regional sourcing and distribution division and domestic retail division and are driven by different team of management.

As the two divisions are under different team of management and are subject to different risks and returns, it is difficult to assess the performance of the management and the results of the two divisions when they are grouped under CWS. Therefore, it is proposed that a restructuring of CWS will take place by injecting the business of regional sourcing and distribution of wines and spirits in Singapore, Malaysia and Indonesia into SSPL and the business of domestic retailing of wines and spirits in Singapore into WSPL. The aim of streamlining the organization structure and the internal financial reporting system of the Group will enable the Board to accurately evaluate the two divisions separately and provide a more objective performance-based reward to the management. It is expected that the restructuring will be completed on or around 1 January 2003.

It is expected that after the restructuring, SSPL would mainly be engaged in the regional sourcing and distribution of wines and spirits in Singapore, Malaysia and Indonesia under the direction of Lee Boon Par whereas WSPL would be engaged in the domestic retailing of wines and spirits in Singapore under the direction of Lee Chiang Choon Derek and Tan Wee Han.

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 at par value 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 management achieves 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. Upon the conditions under the Conditional Offer being met, Lee Boon Par shall be entitled to subscribe for the new shares of SSPL within 30 Business Days from the date on which the audited accounts of SSPL are approved and authorised for issue by the directors of SSPL. As at the Latest Practicable Date, the capital of SSPL consists of 2 shares of S\$1 each and is directly held by CWS. If Lee Boon Par exercises his rights under the Conditional Offer, CWS and Lee Boon Par will hold 51% and 49% respectively of the enlarged issued share 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 wines and spirits industry in South East Asia and plays an important role in driving the business of SSPL which is mainly the regional sourcing and distribution of wines and spirits in Singapore, Malaysia and Indonesia. The Conditional Offer based on specific profit target serves as an incentive to motivate him to pursue profitability growth for CWS and SSPL and therefore benefits the Group. The profit target was arrived at after due consideration of the Directors' estimation of the forecast sales of SSPL based on

LETTER FROM THE BOARD

the historical sales pattern and discussion between the respective directors of CWS and SSPL. 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 as a whole.

As Lee Boon Par is a director of CWS and SSPL, he is a connected person of the Company and the grant of the Conditional Offer to him to subscribe for new shares in SSPL constitutes a connected transaction under rule 14.26(4) of the Listing Rules and will be conditional upon, among other things, approval by the Independent Shareholders at the SGM of the Company. Lee Boon Par, Charm and their associates will abstain from voting on the relevant resolution in relation to the Conditional Offer.

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

Terms of the Subscription

As at the Latest Practicable Date, the capital of WSPL consists of 2 shares of S\$1 each and is directly held by CWS. Under the terms of the Agreement, Lee Chiang Choon Derek and Tan Wee Han shall subscribe before 1 January 2003 for cash at par value of S\$1 for 100,000 and 300,000 new shares, respectively 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 S\$1 each in the capital of WSPL upon the exercise of their rights under the Subscription and the resulting issued share 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 the founders and the executive directors of CWS and WSPL since their respective incorporation on 25 May 1998 and 21 October 2000 respectively. They play an important role in driving the business of WSPL which is mainly the domestic retail of wines and spirits in Singapore. The Subscription serves as a commitment and an incentive to motivate them to pursue profitability growth for CWS and WSPL 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 is for the benefits of the Shareholders as a whole.

As Lee Chiang Choon Derek and Tan Wee Han are directors of CWS and WSPL, Lee Chiang Choon Derek and Tan Wee Han are connected persons of the Company and the Subscription constitutes a connected transaction under rule 14.26(3) of the Listing Rules and will be conditional upon, among other things, approval by the Independent Shareholders at the SGM. Lee Chiang Choon Derek, Tan Wee Han, Charm and their respective associates will abstain from voting on the relevant resolution in relation to the Subscription.

SGM

You will find on pages 17 to 18 of this circular a notice of the SGM to be held at Suite 2310, Island Place Tower, 510 King's Road, Hong Kong at 10:00 a.m. (Hong Kong time) on 2 December 2002 for the purpose of considering and, if thought fit, approving the Conditional Offer and the Subscription.

LETTER FROM THE BOARD

Lee Boon Par, Charm and their respective associates will abstain from voting on the relevant resolution in relation to the Conditional Offer whereas Lee Chiang Choon Derek, Tan Wee Han, Charm and their associates will abstain from voting on the relevant resolution in relation to the Subscription.

A form of proxy for use at the SGM is enclosed. If you do not intend to be present at the SGM, you are requested to complete this form of proxy in accordance with the instructions printed thereon and deposit the same at the branch share registrar of the Company as soon as possible and in any event not less than 48 hours before the time of the SGM or any adjournment. The completion and return of the form of proxy will not preclude you from attending and voting in person should you so desire.

RECOMMENDATION

The Independent Board Committee has been formed to advise the Independent Shareholders and Kingsway has been appointed to advise the Independent Board Committee in respect of the Conditional Offer and the Subscription.

You attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders concerning the Conditional Offer and the Subscription; (ii) the letter from Kingsway setting out in this circular which contains its recommendation to the Independent Board Committee on the Conditional offer and the Subscription and the principal factors and reasons considered by Kingsway in arriving at its recommendations.

The Independent Board Committee, having taken into account the principal factors and the advice of Kingsway, considers that the terms of the Conditional Offer and the Subscription are fair and reasonable so far as the interests of the Independent Shareholders are concerned and the Conditional Offer and the Subscription are in the interest of the Company and the Shareholders as a whole. Accordingly, it unanimously recommends that the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Conditional Offer and the Subscription.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
By order of the Board
Chan Sheung Wai
Chairman



ROCKAPETTA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

25 October 2002

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTIONS

**ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF
CRYSTAL WINES & SPIRITS PTE LTD.
AND CONDITIONAL OFFER GRANTED TO A DIRECTOR OF
CRYSTAL WINES & SPIRITS PTE LTD. AND
CRYSTAL INTERNATIONAL DISTRIBUTORS PTE LTD.
AND SUBSCRIPTION GRANTED TO DIRECTORS OF
CRYSTAL WINES & SPIRITS PTE LTD. AND CRYSTAL WINES PTE LTD.**

We refer to the circular dated 25 October 2002 issued by the Company of which this letter forms part. Terms used herein shall have the same meanings as those defined in the circular unless the context otherwise requires.

We have been appointed by the Board to be members of the Independent Board Committee to consider the terms and conditions of the Conditional Offer and the Subscription, and to advise you in connection therewith. Kingsway has been appointed as the independent financial adviser to advise the Independent Board Committee in this respect.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 8 of this circular, and the letter from Kingsway, as set out on pages 10 to 12 of the circular, containing their respective opinions in respect of the Conditional Offer and the Subscription. After taking into consideration the terms and conditions of the Conditional Offer and the Subscription and the opinion of Kingsway and in particular the principal factors and reasons contained therein, the Independent Board Committee considers that the terms and conditions of the Conditional Offer and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Conditional Offer and the Subscription.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Lam Lee G Dr. Ho Tat Kin

Independent non-executive Director

LETTER FROM KINGSWAY

The following is the full text of the letter of advice to the Independent Board Committee from Kingsway dated 25 October 2002 prepared for incorporation in this circular.



Kingsway Capital Limited

25 October 2002

*To The Independent Board Committee of
Rockapetta Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTIONS

ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF CRYSTAL WINES & SPIRITS PTE LTD. AND CONDITIONAL OFFER GRANTED TO A DIRECTOR OF CRYSTAL WINES & SPIRITS PTE LTD. AND CRYSTAL INTERNATIONAL DISTRIBUTORS PTE LTD. AND SUBSCRIPTION GRANTED TO DIRECTORS OF CRYSTAL WINES & SPIRITS PTE LTD. AND CRYSTAL WINES PTE LTD.

We have been engaged to advise the Independent Board Committee in respect of the terms of (i) the Conditional Offer granted to Mr Lee Boon Par (“Mr Lee”) to subscribe for 490,000 new shares of S\$1 each in the capital of SSPL; and (ii) the Subscription by Messrs Lee Chiang Choon Derek (“Derek”) and Tan Wee Han (“Mr Tan”) for 100,000 new Shares and 300,000 new shares respectively in the capital of WSPL at par value of S\$1 each for cash (together the “Transactions”), details of which are set out in the circular dated 25 October 2002 (the “circular”) to Shareholders of the Company, in which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the circular.

In formulating our opinion, we have assumed that all information, representations and opinions contained or referred to in the circular are true, accurate and complete in all respects and that they may be relied upon and continue to be so at the date of the despatch of the circular. We are not aware of any factors, which may render such information and representations untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to enable us to reach an informed view and we have no reason to suspect that any material information has been omitted or withheld to justify us relying on the accuracy of the information contained in the circular and to provide us with a reasonable basis for our advice. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company and its subsidiaries.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion as regards the terms of the Transactions, we have taken the following principal factors into account:

- (i) As stated in the “Letter from the Board”, SSPL and WSPL were set up with CWS as the immediate holding company so that performance of the two principal activities of CWS under different management can be better assessed and monitored by the Company. Following the restructuring, SSPL would be principally engaged in the regional sourcing and distribution of wines and spirits in Singapore, Malaysia and Indonesia under the management of Mr Lee. WSPL would be engaged in the domestic retail of wines and spirits in Singapore under the management of Derek and Mr Tan.
- (ii) The Conditional Offer is granted to Mr Lee, a director of SSPL, to subscribe for 490,000 new shares at par value of S\$1 each in the capital of SSPL, or 49% of the enlarged issued capital of SSPL, for a total cash amount of S\$490,000 provided that SSPL under the directions of Mr Lee 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 date on which the audited accounts of SSPL are approved and authorised for issue by the directors of SSPL.
- (iii) The Subscription offers Derek and Mr Tan the right to subscribe after Completion and before 1 January 2003, after which will be lapsed, for cash for new shares in the capital of WSPL such that CWS, Derek and Mr Tan will hold 600,000 shares, 100,000 shares and 300,000 shares at par value of S\$1 each in the capital of, or 60%, 10% and 30% of, WSPL and the resulting issued capital of WSPL shall be S\$1 million (about HK\$4.425 million) on and from 1 January 2003. It is noted that the offer to subscribe at par by the directors pursuant to the terms of the transaction is the same par value subscription that CWS made when WSPL and SSPL were established on 21 October 2000 and 19 August 2002. On the basis of the above, we are of the view that the arrangement is fair and reasonable.
- (iv) As stated in the “Letter from the Board”, the Directors are of the view that the terms of the Transactions are fair and reasonable for the shareholders of the Company as a whole. The Directors believe that the respective directors of which the options are granted play an important role in driving the business. In particular, terms of the Conditional Offer are based on specific performance target that serves as an incentive to motivate the respective directors to pursue profitability growth for the company and therefore benefits the Group. Please refer to “Letter from the Board” for further details of each director.

In terms of the Conditional Offer, we have also considered the audited accounts of CWS for the financial year ended 31 December 2000 and the unaudited revenue and profit before tax for the 15 months ended 31 March 2002, the Directors’ estimation of the forecast sales, which was based on the historical sales pattern and the discussions between the Company

LETTER FROM KINGSWAY

and the respective directors. In our opinion, it is fair and reasonable to use the historical sale patterns and the forecast projections based on discussions with the respective directors to arrive at the performance target.

It is also noted that Mr. Lee, Derek, and Mr. Tan were founders of CWS. In particular, Mr. Lee has more than 20 years of track record in the wines and spirits industry in South East Asia whereas Derek and Mr Tan have extensive experience in the liquor domestic retail business. Along with the respective performance incentive, the management should be able to carry out a smooth continuation of the existing businesses of SSPL and WSPL. Taking into consideration the circumstances and terms of the Transactions on the whole, we concur with the view of the Directors that the terms of the Transactions are fair and reasonable so far as the Shareholders are concerned.

RECOMMENDATION

Having considered the above principal factors, we are of the opinion that the Transactions as mentioned in the “Letter from the Board”, on the whole, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the SGM in respect of the terms of the Transactions.

Yours faithfully,
For and on behalf of
Kingsway Capital Limited
Sandy Yip
Director

RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LITIGATION

On 8 July 2002, a winding-up petition (the “Winding-up Petition”) was filed by Mr. Kwok Chin Wing, the former chairman of the Group, against Rockapetta Industrial Company Limited (“RIC”), a wholly owned subsidiary of Rockapetta Investment Limited (“RIL”), in relation to his claim against RIC for repayment of a loan in the amount of approximately HK\$52 million including interest thereon. The Winding-up Petition was heard on 9 October 2002 at the High Court of Hong Kong. As RIL together with RIC were entirely disposed of upon the completion of the transactions under the sale and purchase agreement dated 23 September 2002 entered into between the Company and Ms. Tea on 8 October 2002, the Directors are of the view and confirm that the Winding-up Petition had no material adverse impact on the financial position and operation of the Group.

On 28 August 2002, a writ of summons was issued out of the High Court of Hong Kong against Mr. Kwok Chin Wing, the former chairman of the Group, and Mr. Yiu Kui Leung, the former managing director of the Group, by the Company, in respect of their causing payments HK\$25 million to be made to Mr. Kwok Chin Wing personally in March 2000 was in breach of their duties as executive directors. The Directors are of the view and confirm that the outcome of this action will not have any material adverse impact on the financial position and operation of the Group.

Save as disclosed above, no member of the Group is engaged in any litigation or arbitration or proceedings of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group as at the Latest Practicable Date.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INFORMATION ABOUT THE COMPANY

- (a) The registered office of the Company is situated at Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is situated at Suite 2310, Island Place Tower, 510 King’s Road, Hong Kong.

- (c) The principal share registrar of the Company is Butterfield Corporate Services Limited of Rosebank Centre, 14 Bermudiana Road, Hamilton, Bermuda and the Hong Kong share registrar and transfer office of the Company is Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (d) The secretary of the Company is Ms. Ho Man Yi, a fellow member of The Hong Kong Society of Accountants.

DISCLOSURE OF INTERESTS

(i) Directors' interests in securities

As at the Latest Practicable Date, save as disclosed in (1) and (2) below, none of the Directors or the chief executive of the Company have any interest in the equity or debt securities of the Company or any associated corporations (within the meaning of the SDI Ordinance) which:-

- (a) is required to be notified to the Company and the Stock Exchange pursuant to section 28 of the SDI Ordinance (including interests which any such person is taken or deemed to have under section 31 of, or Part 1 of the Schedule to, the SDI Ordinance); or
- (b) are required, pursuant to section 29 of the SDI Ordinance, to be entered into in the register referred to therein; or
- (c) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

(1) *Interests in shares of the Company*

As at the Latest Practicable Date, the interests of the Directors and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to section 29 of the SDI Ordinance were as follows:

Name of Directors	Number of ordinary Shares held	
	Personal interests	Corporate interests
Chan Sheung Wai (<i>Note</i>)	–	60,000,000
Ma Tak Lun	380,000	–

Note: The Shares are held by MCC814 (Holdings) Limited, a company which is beneficially owned by Mr. Chan Sheung Wai.

(2) *Interests in options to subscribe for Shares*

As at the Latest Practicable Date, there are no outstanding options granted by the Company to subscribe for Shares.

Other than the foregoing and certain nominee shares in subsidiaries held by Directors on trust for the Company, at the Latest Practicable Date, none of the Directors, or their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

(ii) Directors' interest in contract

None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

(iii) Persons interested in 10% or more of interests in securities

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to section 16(1) of the SDI Ordinance showed that the following Shareholders had an interest of 10% or more in the issued capital of the Company:

Name of Shareholder	Number of Shares held	Percentage of total issued Shares
Charm (<i>Note</i>)	200,000,000	28.08%

Note: Charm is a company wholly owned by Lim Eng Hock.

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at the Latest Practicable Date.

EXPERT AND DIRECTORS' INTEREST IN ASSETS

None of the Directors nor Kingsway has had any direct or indirect material interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2001, being the date to which the latest published audited financial statements of the Company were made up.

MATERIAL CHANGES

Save as disclosed in the announcements of the Company date 3 October 2002 and 8 October 2002, the Directors are not aware of any material change in the financial or trading position of the Group since 31 December 2001, being the date to which its latest published audited accounts were prepared.

QUALIFICATION OF EXPERTS

The following is the qualification of Kingsway:

Name	Qualification
Kingsway	An investment adviser register under the Securities Ordinance (Chapter 333 of the Laws of Hong Kong)

CONSENT

Kingsway, a registered investment adviser, has given and has not withdrawn its written consents to the issue of this Circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Kingsway did not have any shareholding in any member of the Group nor right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of the principal business of the Company at Suite 2310, Island Place Tower, 510 King's Road, Hong Kong up to and including 2 December 2002:

- (a) the Agreement;
- (b) the letter from the Independent Board Committee, as set out on page 9 of the circular;
- (c) the letter from Kingsway to the Independent Board Committee as set out on pages 10 to 12 of this circular; and
- (d) the written consent referred to in the section headed "Consent" in this appendix.

ENGLISH AND CHINESE TEXT OF THIS CIRCULAR

In the case of inconsistencies between the English text and the Chinese text of this Circular, the English text of this circular shall prevail over the Chinese text.

NOTICE OF SGM



ROCKAPETTA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of the members of Rockapetta Holdings Limited (the “Company”) will be held at Suite 2310, Island Place Tower, 510 King’s Road, Hong Kong on 2 December, 2002 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions: -

ORDINARY RESOLUTIONS

“THAT

- (1) the conditional offer (the “Conditional Offer”) granted to Lee Boon Par to subscribe for 490,000 new shares at par value of S\$1 each in the capital of Crystal International Distributors Pte Ltd. (“SSPL”) for a total cash amount of S\$490,000 (equivalent to approximately HK\$2,168,000) under which he shall be entitled to subscribe for the new shares of SSPL within 30 business days from the date on which the audited accounts of SSPL for the year ending 31 December 2004 are approved and authorised for issue by the directors of SSPL, be approved and the directors of the Company be and are hereby authorised to take all steps or sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purpose of or in connection with the implementation of and/or give effect to the Conditional Offer;
- (2) the subscription (“the Subscription”) by Lee Chiang Choon Derek and Tan Wee Han for 100,000 shares and 300,000 shares respectively in the capital of Crystal Wines Pte Ltd. of S\$1 each for cash at par after 2 October 2002 and before 1 January 2003, be approved and the directors of the Company be and are hereby authorised to take all steps or sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purpose of or in connection with the implementation of and/or give effect to the Subscription.

By order of the Board
Chan Sheung Wai
Chairman

Hong Kong, 25 October, 2002

NOTICE OF SGM

Principal place of business in Hong Kong:

Suite 2310, Island Place Tower
510 King's Road
North Point
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy in respect of the above meeting is enclosed herewith.
- (3) Where there are joint registered holders of any shares of the Company, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority must be deposited at the Company's branch share registrar in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.