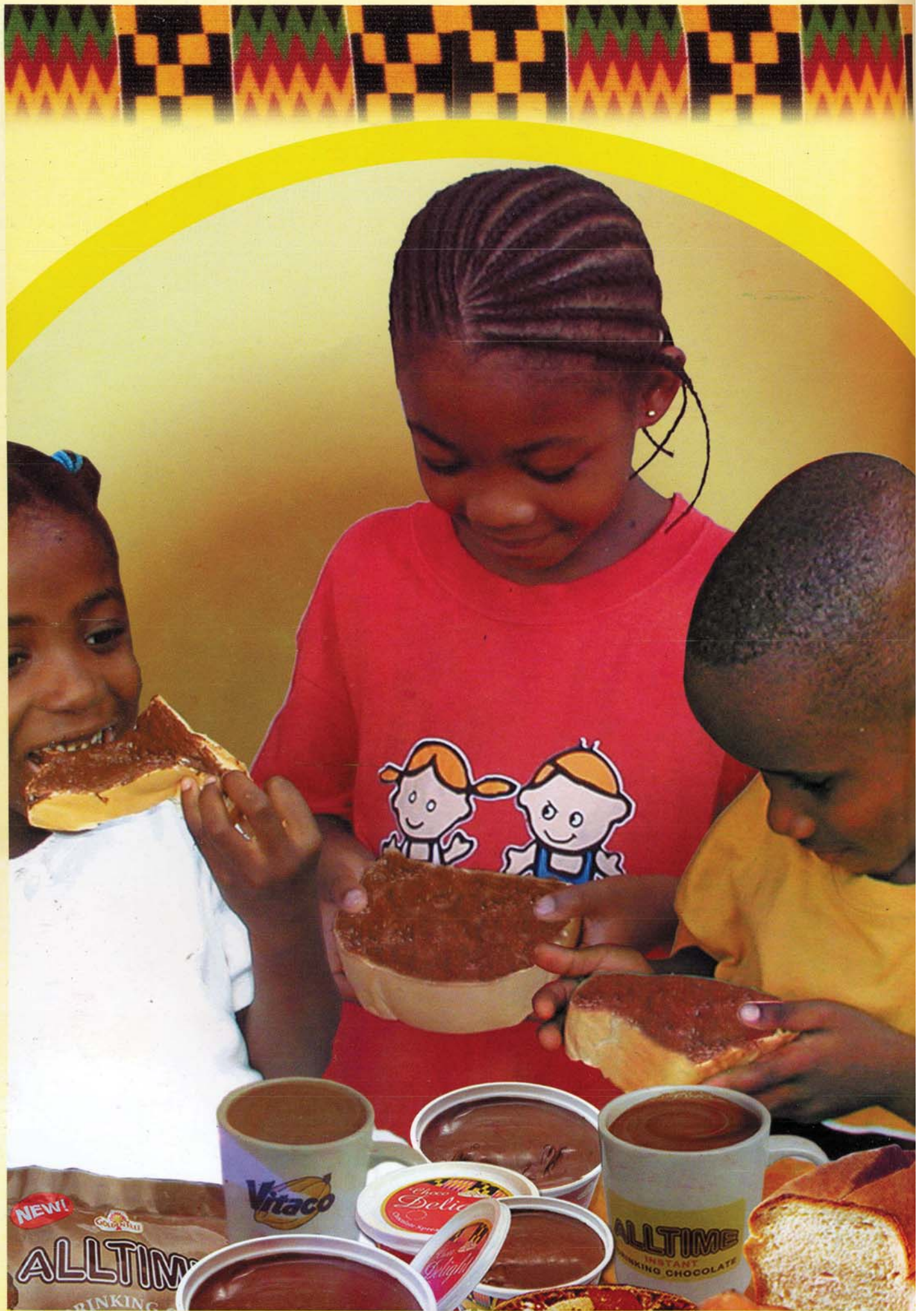


Annual Report
& Accounts
2004



COCOA PROCESSING COMPANY LTD.



COCOA PROCESSING COMPANY LTD

ANNUAL REPORT & ACCOUNTS

for the year ended 30th September, 2004





Front view of the new CPC Factory being constructed as part of the expansion programme.



Chairman and other members of the CPC Board on visit to the expansion project site

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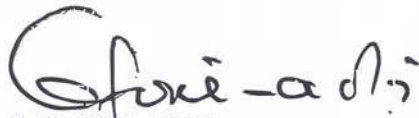
Notice Of Meeting Of ANNUAL GENERAL MEETING

NOTICE is hereby given that the next Annual General Meeting of Cocoa Processing Company Limited will be held at the Accra International Conference Centre, Accra on Tuesday, 23rd August 2005 at 10:00 am to transact the following business:

1. To receive the Financial Statements for the Year ended 30th September 2004 and the Reports of the Directors and Auditors thereon. ✓
2. To re-elect Directors of the company. ✓
3. To authorize the Directors to fix the remuneration of the Auditors. ✓

Dated this 4th day of July 2005

BY ORDER OF THE BOARD



S. OFORI-ADJEI
SECRETARY

NOTE

A Member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Member of the Company. A form of proxy is provided at the end of the Annual Report and Accounts. For a form of proxy to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company or the Registrar's Office, NTHC Limited, Martco House, No. D542/4, Okai Mensah Link, Adabraka, Accra, P. O. Box 9563, Airport, Accra not less than 48 hours before the appointed time of the meeting.

**BOARD OF DIRECTORS, OFFICIALS
AND REGISTERED OFFICES**

BOARD OF DIRECTORS

| | |
|-------------------------------------|--|
| Madam Cecilia Abena Dapaah | - Chairman |
| Mr. Richard Amarh Tetteh | - Managing |
| Mr. Kwame Sarpong | - Member |
| Hon. Osei Kyei-Mensah-Bonsu (MP) | - Member |
| Hon. Stephen Balado Manu (MP) | - Member ✓ <i>Atsaps And</i> |
| Mr. Kassim Yahya | - Member |
| Mr. David Coleman | - Member |
| Mr. John Amo-Bediako | - Member |
| Mr. Hayford Agbemeyale Kwasi Fiamor | - Member ✓ <i>CMC Audit & Finance Sub Com Ch</i> |
| Mr. Ignatius Rockson Asare | - Member |

SECRETARY

Mr. Stephen Ofori-Adjei

REGISTERED OFFICE

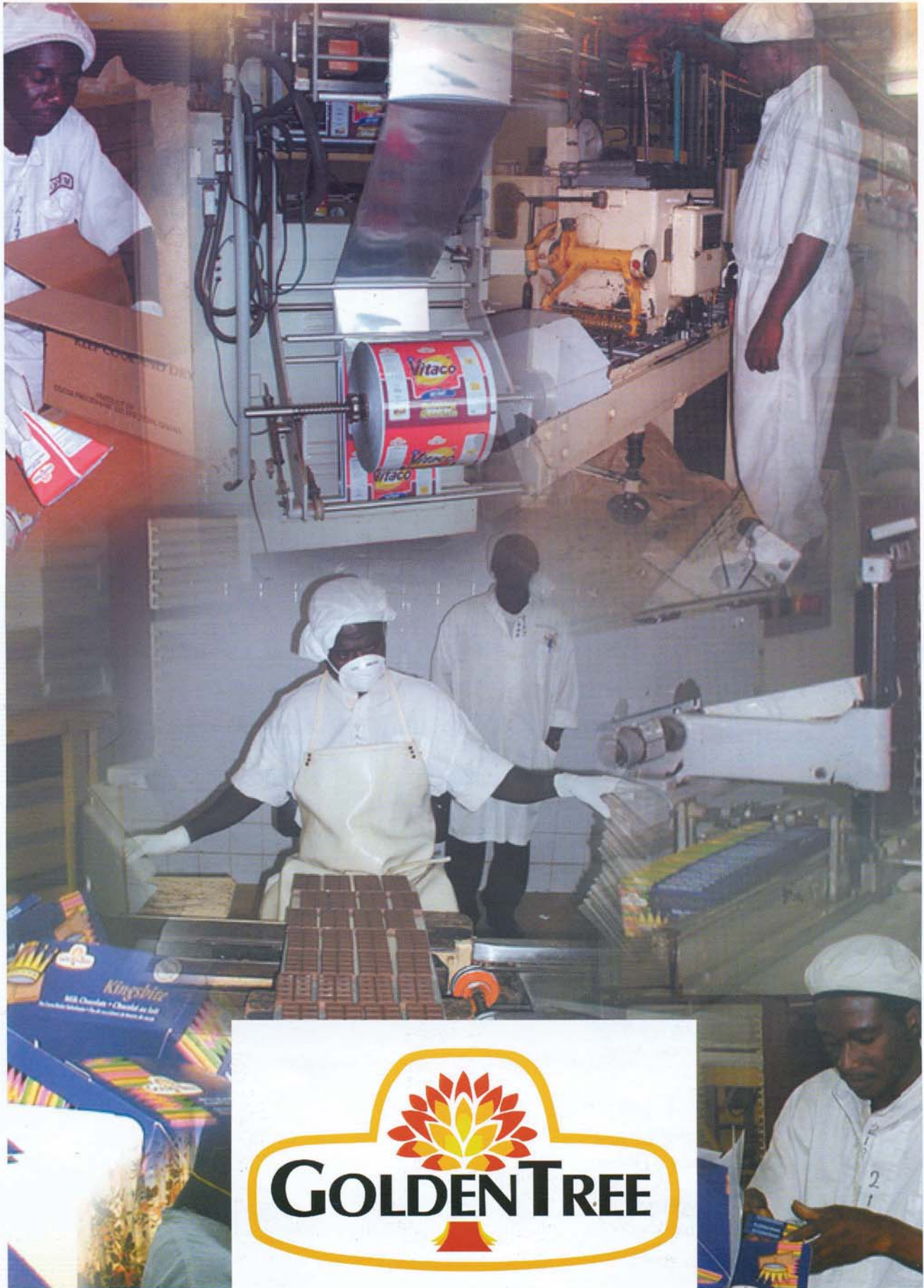
Cocoa Processing Company Limited
Heavy Industrial Area
Private Mail Bag
Tema – Ghana

AUDITORS

Darko, Sarpong & Co.
Chartered Accountants
House No. C63A/4
New Town Loop
P. O. Box 9504
Airport, Accra

REGISTRARS

NTHC Limited
Martco House
P. O. Box KIA 9563
Airport, Accra
Ghana



Providing jobs for the nation

COCOA PROCESSING COMPANY LTD

MEMBERS OF THE BOARD OF DIRECTORS



Cecilia Abena Dapaah
(Chairman)



Richard Amah Tetteh
(Managing)



Hayford Agbemeyale
Kwasi Fiamor ✓



Ignatius Rockson Asare

Resigned



Hon. Stephen Kwaku
Balado Manu (MP)



David Coleman



John Amo-Bediako



Kassim Yahya



Kwame Sarpong



Hon. Osei Kyei
Mensah-Bonsu (MP)

CHAIRMAN'S STATEMENT

I have the greatest pleasure, once again, to welcome all shareholders to this year's Annual General Meeting of Cocoa Processing Company Limited, and to present to you the Annual Report and the Financial Statements of your Company for the year ended 30th September 2004.

THE OPERATING ENVIRONMENT

The economy saw a very interesting trend during the year under review. In spite of the year 2004 being an election year, the high rate of inflation that usually characterizes such years was absent. In its place, the country witnessed a stable rate of inflation, relatively stable cedi and consistently declining Treasury bill rates.

The rate of inflation saw a downward trend from 22.4% at the beginning of the year to 11.8 % at the end of the year.

There was also a remarkable increase in Ghana's exports from \$1,790 million in September 2003 to \$2,014 million by September 2004 which reflected a 12.5% increase. Gold and Cocoa made significant gains than the previous year (2003). The success of the cocoa spraying exercise implemented by the government of Ghana brought about a remarkable increase in production and sales proceeds from cocoa exports.

STRATEGIC OVERVIEW

The poor results of your Company in 2002/2003 necessitated a thorough review of our operations and the subsequent adoption of expense-efficiency measures. The strategic move resulted in a 16% reduction in operating costs for 2003/2004 (i.e. ₵273.672 billion) compared to the previous years' operating cost of ₵390.146 billion.

2004 RESULTS

Your Company made a marginal profit before tax of ₵6.534 billion.

This is a marked improvement over 2002/2003 results which posted a loss of ₵4.375 billion.

DIVIDEND

In view of the marginal profit made and the



Ms Cecilia Abena Dapaah, Chairman

huge capital expenditure required for the expansion project, the Board of Directors is unable to recommend the payment of dividend this year. The future, dear shareholders, is bright. What we all need is a little patience.

EXPANSION

We wish to report that the expansion project has started in earnest and that every effort is being made by both Board and Management to ensure its early completion.

The increased financing requirements of the expansion project impose on us the need to conserve cash for the repayment of the medium term loan. The Company will continue to pursue its strategy of ensuring cost reduction in all aspects of its operations.

We can all look forward with hope to the completion of the expansion and its subsequent increased production capacity which is expected to more than double our current turnover. This will, no doubt, translate into the payment of dividends to our shareholders in the not-too-distant future.

FREE ZONE STATUS

Your company was granted a license to operate as a Free Zone Enterprise on July 28, 2004.

SAFETY, HEALTH AND ENVIRONMENT

The Company has a strong commitment towards the safety and health of its employees, the community in which it operates and the environment.

CHAIRMAN'S STATEMENT

We have over the years invested heavily in health, safety and environmental issues. The Company continually re-evaluates its operations on scientific, economic and technical analyses and is in close collaboration with the Environmental Protection Agency in all aspects of its operations.

MANAGEMENT APPOINTMENT

Mr. Richard Amarah Tetteh was appointed the Managing Director of the Company on April 1, 2004 following the retirement of Dr. Paul Kwame Awua. While we welcome Mr. Tetteh to the CPC family, the Board takes this opportunity to thank Dr. P. K. Awua for his contribution towards the growth of the Company.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Mr. Hayford Agbemanyale Kwasi Fiamor, Mr. Ignatius Rockson Asare and Hon. Stephen Kwaku Balado Manu (MP) will retire at this Annual General Meeting and being eligible offer themselves for re-election.

OUTLOOK FOR 2005

Your Board remains committed to the impending expansion programme and plans to commission the Phase I of the project in the course of the year.

The expansion would make CPC one of the country's largest processing companies with better prospects.

The macro-economic projections for the country in 2005 look even brighter with expected increase in gold production with just a little drop in cocoa production figures.

Likewise the future prospects for your company remain certain as the focus of the Government is to encourage processing of more raw cocoa beans for value addition.

The shocking events of increases in crude oil have impacted on the economies of the world in general, and on a number of specific market-sectors including the commodity market.

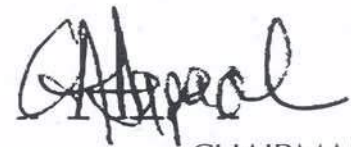
In view of that, we recognize the need to keep under close review our arrangements of the future targets for our company, which include our expansion project.

So far, we have not seen any reduction in demand for our products from the commodity market. We are encouraged by our present performance which we hope to better in the coming years.

As a result of your Company's aggressive product development activities, consumers will soon have the rare opportunity of seeing natural cocoa powder on their breakfast table. The new product is known as "ROYALE natural cocoa powder". "Royale" offers its consumers the full nutrient benefits of cocoa.

ACKNOWLEDGEMENT

Your Directors will like to express their sincere thanks to you, our shareholders, for your support and encouragement, to Management and Staff for their dedicated service and to our distributors and customers for their invaluable contribution.



CHAIRMAN



HIGHLIGHTS - 2004

| | 2004 | 2003 |
|---|--------------|--------------|
| | ¢'000 | ¢'000 |
| <u>Financials</u> | | |
| Turnover | 342,220,912 | 344,509,244 |
| Operating Profit/(Loss) | 6,846,884 | (38,559,387) |
| Profit on Ordinary activities after tax | 4,630,970 | (4,375,256) |
| Earnings per share | 5.38 | 0 |

| | 2004 | 2003 |
|---------------------------------|---------------------------|---------------------------|
| | ¢'000 | ¢'000 |
| <u>Operating Costs</u> | | |
| Raw Beans Costs | 220,017,632 | 335,271,831 |
| Other Raw & Packaging Materials | 25,210,957 | 22,031,775 |
| Production Overheads | 28,443,737 | 32,842,998 |
| Total | <u>273,672,326</u> | <u>390,146,604</u> |

| | 2004 | 2003 |
|--------------------------|-------------|-------------|
| | M/T | M/T |
| <u>Production</u> | | |
| Cocoa | | |
| Cocoa Beans Processed | 19,378.380 | 20,434.050 |
| Products Packed | 15,550.099 | 16,385.470 |
| Confectionery | | |
| Products Packed | 1,268.037 | 1,062.170 |

CORPORATE GOVERNANCE

Cocoa Processing Company (CPC) Limited highly recognizes the importance of good, corporate governance as a means of sustaining the long term viability of the business, and the Board and Management of the Company are deeply committed to the attainment of its business objectives.

In line with this, and alongside the need to meet its responsibility to its shareholders and other stakeholders, the company strives to meet the expectations of the community in which it operates.

In the conduct of its business, CPC has endeavoured to comply with all statutory requirements and adopted best practices to protect the environment and its employees.

The business adopts standard accounting practices and ensures sound internal controls to facilitate transparency of business transaction and reliability of financial statements.

BOARD OF DIRECTORS

The responsibility of good corporate governance resides in the Board of Directors and the Management team. The Company has ten (10) Directors, eight of whom are non-executives.

The non-executive directors are independent of Management and free from any constraints which could materially interfere with the exercise of their independent judgement.

All the non-executive Directors submit themselves for re-election at Annual General Meetings in accordance with the regulations of the Company. To ensure effective control and monitoring of the Company's business, the Board works through Audit, Nominations, Finance and Marketing, and Technical sub-committees.

The Directors have unrestricted access to the company's records and information.

The Managing Director is a separate individual from the Chairman; and he implements Management strategies and policies adopted by the Board.

THE AUDIT COMMITTEE

The audit sub-committee is made up of five

Directors four of whom are non-executive.

The members are Mr. Kassim Yahya (Chairman), Mr. David Coleman, Mr. Hayford Fiamor, Hon. Osei Kyei-Mensah-Bonsu (MP) and Mr. Ignatius Rockson Asare.

The Audit sub-committee reviews and monitors the adequacy and effectiveness of internal audit procedures and controls and discusses any matters requiring attention with Management, the Internal Audit Manager and the Chief Accountant, and also makes the appropriate recommendations to the Board. The Audit Sub-committee also reviews and discusses financial statements (quarterly, half-year and annual) with Management and the External Auditors. The Board is briefed on all significant developments.

INTERNAL CONTROLS

The Company has in place a system of management control to ensure effective, efficient and proper utilization of resources in pursuit of corporate objectives with due regard to the interest of shareholders and stakeholders.

The Company's over all internal control system is enhanced by written policies and procedures, formalized reporting responsibilities, written descriptions of authority, well-articulated training programmes and well-defined information dissemination systems.

As part of its responsibilities for the exercise of control, management requires the maintenance of financial records which fairly reflect the assets and liabilities of the company. The integrity and objectivity of the accounting records are supported by a system of internal accounting controls. This includes procedures and techniques designed to provide reasonable assurance that transactions are duly authorized, properly recorded, assets are safeguarded and there is periodic physical inventory of assets which is verified against accounting and custodial records. This gives further assurance that accounting records are in conformity with generally accepted accounting principles and auditing standards.

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

INTRODUCTION

The year 2004 was a challenging one. It was a period of recovery from the shocks of the previous year which was characterized by high cocoa beans prices and low cocoa product prices.

It was also a year of transition as a new Managing Director assumed office following the retirement of Dr. Paul K. Awua, the former Managing Director.

MISSION OF THE COMPANY

The mission of CPC is to add value to raw cocoa beans by processing them into high quality semi-finished cocoa products and finished confectionery products, and to market same at competitive prices both on the local and the export markets.

In order to accomplish this, the company operates two (2) factories, namely, a) the Cocoa Factory, which processes raw cocoa beans into semi-finished cocoa products – cocoa liquor, butter, Cake and powder, and b) Confectionery Factory which manufactures chocolate confectionery products such as GoldenTree chocolate bars, Alltime/Vitaco Drinking chocolate, Pebbles, ChocoDelight (chocolate spread) and Ice-cream coating.

REVIEW OF OPERATIONS

Cocoa Factory

Total raw cocoa beans processed of 19,378 tonnes in 2003/2004 were slightly lower than the 20,434 tonnes processed in the previous year. This resulted in the production of semi-finished products of 15,550 tonnes for sale.

The low production level was mainly due to the following operational bottlenecks among others:

- * Preventive maintenance on Masse Lines
- * Installation and commissioning of new Powder Plant
- * Break down and repair of vital machines and equipment for operations, e.g. kibbling machines and the conveyor belt feeding raw cocoa beans into the roasters.



Mr Richard Amah Tetteh, Managing Director

Confectionery Factory

The Confectionery Factory recorded a total production of 1,268 tonnes, which was higher than the previous year's production of 1,062 tonnes.

Significant among the products were Chocolate/Couverture, Pebbles and Vitaco, which increased by 19.9%, 25% and 176.8% respectively.

The new confectionery product namely, **Choco Delight** launched only a year ago also did extremely well during the year under review.

Most of our major raw materials, like cocoa beans, were procured with hard currency, i.e. US Dollars. The impact of the Cedi devaluation against the US Dollar affected the cost of production. Other costs pressures impacting on our business originated from labour cost increases and the ripple effect of the very significant fuel price increases in the latter part of the year.

FINANCIAL PERFORMANCE

Profitability improved over the previous performance due largely to the relatively low prices of raw cocoa beans processed matched with good product prices obtained in the commodity market.

Turnover for the year, 2003/2004 marginally declined from ₪344.5 billion to ₪342.2 billion with gross margin of ₪28.8 billion. However, cost of sales for 2003/2004 reduced by 16% to ₪313.4 billion compared to ₪363.6 billion the previous year as a result of conscious effort by management to cut operational costs.

The Earnings after taxation for the year were ₦4.631 billion as against a loss of ₦4.375 billion recorded in 2002/2003. Earnings per share for the year was ₦5.38 per share.

Statement of Cash flows

Negative cash flow was recorded as a result of huge capital expenditure in respect of the impending expansion project.

The Company's operations are therefore financed by a combination of shareholders funds (Equity share capital and Retained earnings) and Bank Borrowings. The Company currently has committed bank borrowing from Barclays Bank amounting to ₦109.9 billion and a Bank Overdraft facility of ₦3.0 billion from Prudential Bank Ltd.

The Barclays Bank borrowing comprised a syndicated credit facility with a group of five (5) major Banks.

Treasury Management

The Company's treasury policy seeks to reduce or eliminate as far as possible, any financial risks and to ensure that sufficient liquidity is available to meet all foreseeable needs.

The Company's principal financial risks relate to currency and interest rate movements. Management operates according to the objectives, policies and authorities approved by the Board and evaluates these systematic risks from time to time.

All non-routine transactions are referred to the Board for approval.

Finance Charges

Increased funding required for the expanded capacity, and funding for other capital expenditure led to increased short/medium – term borrowing requirements and a higher level of interest costs compared to 2003.

We expect cash generation from the underlying business to improve significantly in 2005 as the investments made in 2004 begin to generate positive cash flows.

RESEARCH AND DEVELOPMENT

A new chocolate/confectionery product named, CHOCO-DELIGHT, was launched during the year. CHOCO-DELIGHT is a nutritious chocolate bread/biscuit spread. The Company also used the occasion to outdoor the new, improved and attractive wrappers of the seven brands of the local and export types of Golden Tree chocolate bars. The event received wide publicity in both the major print and electronic media.

As part of the Company's continuing efforts at expanding and diversifying its range of confectionery products, various tests and trials were conducted with the view to developing new chocolate confectionery products incorporating various local nuts.

The Company also pursued its work on the formulation of recipes for sugarless chocolate bars and drinking powder. It is hoped that in the coming year this project will be concluded and the new products introduced onto the market.

Your Company will soon introduce onto the market, drinking chocolate powder in smaller packaging for convenience and affordability as well as the packaging of natural cocoa powder in economy size.

HUMAN RESOURCE DEVELOPMENT

The Company continued to offer the requisite training to staff to enhance efficiency and thereby facilitate higher production in all sections of the Company.

The Company enjoyed industrial peace and harmony during the year.

Employment Policy

The Company is an equal opportunity employer. Employment in the company is based strictly on qualifications and does not discriminate against any particular gender or one's physical disabilities.

MARKETING

As part of our strategy of exploring and capturing new markets for our products the

MANAGING DIRECTOR'S REVIEW OF OPERATIONS

capturing new markets for our products the company signed a Memorandum of Understanding with a number of Companies in Asia and the Middle-East for the sale of cocoa products.

The Company opened a Sales Depot in Sekondi/Takoradi to make confectionery products easily accessible to customers in the Central and Western Regions.

AWARDS

During the year, the Company became a proud recipient of a "Gold Award for Excellence in Business Practice", presented by the Foundation for Excellence in Business Practice based in Geneva, Switzerland.

The award was in recognition of CPC's ethical business practice, good corporate achievements, excellent quality of goods manufactured, customer satisfaction, environmental protection and human resource development programmes.

The Ghana Export Promotion Council (GEPC) also awarded the Company, a Platinum Award for Export Achievement for the year 2004.

VISITS

A number of visitors were conducted on a tour of the factory.

The Company had the honour of hosting the national best farmers numbering about eighty six (86). The farmers interacted with Management of CPC and were conducted on a tour of the factories.

The Company also received a number of trade delegations from Japan, Nigeria, Israel, Benin and the U.S.A.

NEWS FLASH

Following the retirement of Dr. P.K. Awua, Mr. Richard Amah Tetteh assumed office as the Managing Director of CPC on April 1, 2004.

Earlier in the year under review, an Extraordinary General Meeting was organized to seek shareholders' mandate to contract a syndicated loan of Euro 22.0 million to undertake the Company's proposed expansion programme.

The meeting afforded the Board of Directors, the opportunity to explain in detail, the two phases of the expansion programme. The event received wide publicity in all the major media channels in the country.

OUTLOOK FOR 2005

Expansion Programme

The Company's expansion project was pursued vigorously during the year under review. Management took delivery of the first shipment of equipment required for Phase 1 of the project.

It is envisaged that by the end of next financial year all the machinery required for Phase 1 of the project would have been installed and commissioned.

To complement the expansion programme management has plans to acquire more hydraulic presses in order to ensure flexibility in the production processes.

The Confectionery Factory is scheduled for epoxy flooring in the coming year.

More packaging machines will be acquired for the Confectionery Factory in the coming year as well.

Management is indeed confident about the future of the Company as the two phases of the expansion project come to completion.

CONCLUSION

The year 2003/2004 was an eventful year. The Company witnessed a transition arising from the assumption of office of a new Managing Director, as well as coping with the challenge of recovering from the previous year's operational loss.

It is worthy of note that in addition to the smooth transition, the Company was able to make some modest but appreciable operational profit before tax of ₵6.534 billion.

The Company looks forward to the year 2004/2005 with hope as the two phases of the expansion programme are completed.

MANAGING DIRECTOR

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are responsible for preparing financial statements for each financial year to give a true and fair view of the state of affairs of the Company and of its profit and loss for that year. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy, the financial position of the Company and which enable them to ensure that the financial statements comply with International Accounting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.



REPORT OF THE AUDITORS

We have audited the financial statements set out on pages 17 to 30 and which are an amalgamation of the Assets, Liabilities and Trading Results of **COCOA PROCESSING COMPANY, LIMITED (COCOA AND CONFECTIONERY)** and which have been prepared under the Historical Cost Convention, and under the Accounting Policies set out on pages 21-22.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion thereon.

BASIS OF OPINION

We have conducted our audit in accordance with International Standards on Auditing and Ghana National Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence whether the financial statements are in agreement with proper books of account kept by the company and to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 th September 2004 and of its Profit/(Loss) and Cash-flow for the year then ended, and have been properly prepared in accordance with the Companies Code 1963 (Act 179).



DARKO SARPONG & CO
(CHARTERED ACCOUNTANTS)
ACCRA

29TH DECEMBER, 2004

BALANCE SHEET as at 30th September, 2004

| | NOTES | 2004 | | 2003 | |
|----------------------------------|-------|--------------------|----------------------|--------------------|--------------------|
| | | ¢'000 | ¢'000 | ¢'000 | ¢'000 |
| FIXED ASSETS | | | | | |
| Tangible Assets | 16 | | 122,319,733 | | 124,165,915 |
| Development Projects in Progress | | | 138,257,948 | | 15,185,964 |
| | | | 260,577,681 | | 139,351,879 |
| CURRENT ASSETS | | | | | |
| Stocks | 17 | 150,317,710 | | 229,295,874 | |
| Accounts Receivable & Prepayment | 18 | 85,308,254 | | 71,432,599 | |
| Short - Term Investment | 19 | 16,802,252 | | 30,969,339 | |
| Cash & Bank Balances | 20 | 3,878,423 | | 12,303,673 | |
| | | 256,306,639 | | 344,001,485 | |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | 21 | 241,786,403 | | 318,912,182 | |
| Proposed Dividend | | 0 | | 0 | |
| | | 241,786,403 | | 318,912,182 | |
| Net Current Assets | | | 14,520,236 | | 25,089,303 |
| Bank Loans (Medium - Term) | 22 | | (114,436,459) | | (4,500,000) |
| NET ASSETS | | | 160,661,458 | | 159,941,182 |
| REPRESENTED BY | | | | | |
| Stated Capital | 24a | | 24,167,256 | | 24,167,256 |
| Redeemable Preference Shares | 24b | | 1,000 | | 1,000 |
| Capital Surplus | 25 | | 82,376,059 | | 82,376,059 |
| Income Surplus A/C | | | 54,117,143 | | 53,396,867 |
| | | | 160,661,458 | | 159,941,182 |



DIRECTOR



DIRECTOR

The notes on pages 21 to 30 form part of these financial statements. Auditors' Report page 16.

PROFIT AND LOSS ACCOUNT
for the year ended 30th September, 2004

| | NOTES | 2004 €'000 | 2003 €'000 |
|--|-------|-------------------------|---------------------------|
| Turnover | 2 | 342,220,912 | 344,509,244 |
| Cost of Goods Sold | 8 | <u>(313,392,321)</u> | <u>363,618,538</u> |
| Gross Profit (Loss) | | 28,828,591 | (19,109,294) |
| Selling and Distribution Costs | 8 | (3,307,342) | (3,398,637) |
| Administrative Expenses | 8 | (21,937,417) | (18,759,854) |
| Other Operating Income | 4 | <u>3,263,052</u> | <u>2,708,398</u> |
| Operating Profit/(Loss) | | 6,846,884 | (38,559,387) |
| Profit/(Loss) on Sale of Fixed Assets | 5 | <u>51,156</u> | <u>0</u> |
| Profit/(Loss) on Ord. Activ. Before Int. & Tax | | 6,898,040 | (38,559,387) |
| Net Interest Payable / Receivable | 6 | <u>(364,212)</u> | <u>35,093,872</u> |
| Profit/(Loss) on Ord. Activ. Before & Tax | | 6,533,828 | (3,465,515) |
| Provision for Tax on Profit on Ordinary Activities | 13 | <u>(1,902,858)</u> | <u>(909,741)</u> |
| Profit/(Loss) After taxation transferred to Income Surplus Account | | <u>4,630,970</u> | <u>(4,375,256)</u> |
| Earnings per share | 15 | 5.38 | 0 |

INCOME SURPLUS ACCOUNT
for the year ended 30th September, 2004

| | | | |
|----------------------------|----|--------------------------|--------------------------|
| Balance at 1/10/2003 | | 53,396,867 | 62,592,766 |
| Prior Year's Adjustment | 26 | (3,910,694) | (4,820,643) |
| Profit/(Loss) for the year | | <u>4,630,970</u> | <u>(4,375,256)</u> |
| | | <u>54,117,143</u> | <u>53,396,867</u> |
| Proposed Dividend | | <u>0</u> | <u>0</u> |
| Balanced at 30 / 09 / 2004 | | <u>54,117,143</u> | <u>53,396,867</u> |

The notes on pages 21 to 30 form part of these financial statements. Auditors' Report page 16.

CASH FLOW STATEMENT

for the year ended 30th September, 2004

| | NOTE | 2004 CEDIS '000 | 2003 CEDIS '000 |
|--|------|-----------------------|-----------------------|
| Net Cashflow From Operating Activities | 1 | 4,863,417 | 42,610,007 |
| Returns on Investment and Servicing of Finance | | | |
| Interest received | | 649,686 | 2,475,539 |
| Interest paid | | (1,013,899) | 0 |
| Taxation | | | |
| Corporation Tax paid | | (2,399,671) | (3,409,062) |
| Capital Expenditure and Financial Investment | | | |
| Purchase of Fixed Tangible Assets | | (10,430,390) | (26,539,968) |
| Proceeds from Disposal of Fixed Tangible Assets | | 197,716 | 0 |
| Expenditure on Project in Progress | | (123,074,984) | (3,200,700) |
| Equity Dividend paid | | 0 | (6,750,247) |
| Cashflow Before use of Liquid Resources and Financing | | (131,208,125) | 5,185,569 |
| Management of Liquid Resources | | | |
| Purchase of Treasury Bills | | 0 | 0 |
| Redemption of Fixed Deposit and CALL Account | 2 | 14,167,087 | (6,053,527) |
| Financing | | | |
| Increase in medium-term Borrowings | 2 | 109,936,459 | 4,500,000 |
| Issue of shares | | 0 | 0 |
| (DECREASE) / INCREASE IN CASH | 2 | <u>(7,104,579)</u> | <u>3,632,042</u> |

The accompanying accounting policies and notes form an integral part of these financial statements

RECONCILIATION OF NET CASHFLOW TO MOVEMENTS IN NET DEBTS (NOTE 2)

| | 2004 CEDIS '000 | 2003 CEDIS '000 |
|---|----------------------------|--------------------------|
| Decrease in Cash in the period | (7,104,579) | 3,632,042 |
| Cash inflow from decrease in Liquid Resources | (14,167,087) | 6,053,527 |
| Cash inflow from increase in Debt | (109,936,459) | (4,500,000) |
| Translation difference | 144,021 | 0 |
| Change in Net Debt/Debts | <u>(131,064,104)</u> | <u>5,185,569</u> |
| Net Funds/Debts at 01/10/2003 | 35,048,830 | 29,863,261 |
| Net Funds/Debts at 30/09/2004 | <u><u>(96,015,274)</u></u> | <u><u>35,048,830</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

1. Accounts Policies

The significant Accounting Policies adopted by the company and which have been used in preparing the Accounts are as follows: -

a) Basis of Accounting

The financial statements have been prepared based on the Historical Cost Convention, as modified by the revaluation of the fixed assets and complied with all applicable accounting standards.

b) Revenue Recognition

Sales are recognized when the invoiced value of Cocoa Products supplied to customers and receivable free on board (FOB) are shipped and local sales of Confectionery and Cocoa Cake/Powder, net of Value Added Tax/National Insurance Levy and similar taxes.

c) Transaction in other Currencies

Transactions denominated in currencies other than cedis are translated at the rates ruling at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the cedis are translated at the rates of exchange ruling at the year end. All translation differences are taken to profit and loss account.

d) Tangible Fixed Assets

Tangible fixed assets are recorded at cost/valuation less accumulated depreciation. Repairs and maintenance expenditures are charged against profit and loss as incurred. Major improvements and replacements that extend the useful life of an asset are capitalized.

e) Depreciation

Depreciation of fixed assets has been calculated to write off the cost on a reducing balancing basis.

The principal annual rates used are as follows: -

| | |
|--------------------------------|-----|
| Building and Roadwork | 2% |
| Staff Bungalow and Flats | 2% |
| Plant and Machinery | 10% |
| Motor Vehicle | 25% |
| Laboratory Equipment | 20% |
| Office Furniture & Equipment | 20% |
| Bungalow Furniture & Equipment | 20% |

f) Research and Development

Research costs are written off as incurred. Costs involved in the development of new recipes and products are also written off in the year of expenditure, except in certain circumstances when it may be deferred to future periods where the outcome is expected to be successful.

NOTES TO THE FINANCIAL STATEMENTS

g. Interest and other Finance Costs

Interest is capitalized in respect of expansion and development projects as part of tangible fixed assets from the time it has been determined that a commercially viable process line exists up to the commencement of production. All other interest costs are charged against profit as incurred.

h. Stocks

Stocks are valued at the lower of cost and net realizable value. Cost includes, where appropriate, production and other direct overhead expenses, and is arrived at principally on the weighted average basis.

i. Accounts Receivable

These are shown at the face value less provision in respect of debts that have proved irrecoverable.

2. Turnover

Turnover represents amounts receivable excluding discounts and sales related taxes, for products supplied during the period to both domestic and external customers.

| | 2004 ¢'000 | 2003 ¢'000 |
|---------------|--------------------|--------------------|
| Cocoa Butter | 142,594,714 | 118,543,029 |
| Cocoa Liquor | 117,048,056 | 142,735,408 |
| Cocoa Cake | 41,007,691 | 34,190,643 |
| Cocoa Powder | 10,037,375 | 22,033,737 |
| Confectionery | 31,533,076 | 27,006,427 |
| | <u>342,220,912</u> | <u>344,509,244</u> |

3. Analysis of Turnover

| Type of Product | Export Sales ¢'000 | Local Sales ¢'000 |
|------------------------|-----------------------|----------------------|
| Semi-Finished Products | 296,174,020 | 14,513,816 |
| Confectionery | 261,077 | 31,271,999 |
| | <u>296,435,097</u> | <u>45,785,815</u> |

NOTES TO THE FINANCIAL STATEMENTS

| 4. Other Operating Income | 2004 | 2003 |
|-----------------------------------|-------------------------|-------------------------|
| | ¢'000 | ¢'000 |
| Interest on Short-term Investment | 2,092,935 | 2,384,735 |
| Sale of Shell | 737,376 | 88,101 |
| Sales of Sacks, etc | 432,741 | 235,562 |
| | <u>3,263,052</u> | <u>2,708,398</u> |

5. Exceptional Items

Exceptional items are those items within ordinary activities, which because of their size or nature are disclosed to give a proper understanding of the underlying results for the period. An exceptional profit of ¢51,156 million arose in 2004 relating to the disposal of the following Tangible Assets: -

| Assets | Net Book Value | Profit/ (Loss) |
|---------------------|----------------|----------------------|
| | ¢'000 | ¢'000 |
| Motor Vehicle | 36,553 | 2,035 |
| Plant and Machinery | 90,879 | 49,121 |
| | | <u>51,156</u> |

| 6. Interest payable / Receivable | 2004 | 2003 |
|--|-------------------------|--------------------------|
| | ¢'000 | ¢'000 |
| Interest Payable on Bank Overdrafts | (1,013,898) | 0 |
| Interest Receivable on Bank Deposits (Current A/c) | 57,576 | 2,475,539 |
| Exchange Gains | 592,110 | 32,618,333 |
| | <u>(364,212)</u> | <u>35,093,872</u> |

7. Added value to Beans Processed

During the year, the company achieved an added value of 28.15% over and above direct sales of raw cocoa beans.

| 8. Operating Costs | 2004 | 2003 |
|-------------------------------|---------------------------|---------------------------|
| | ¢'000 | ¢'000 |
| Raw Materials and Consumables | 313,392,321 | 363,618,538 |
| Selling and Distribution Cost | 3,307,342 | 3,398,637 |
| Administrative Expenses | 21,937,417 | 18,759,854 |
| | <u>338,637,080</u> | <u>385,777,029</u> |

NOTES TO THE FINANCIAL STATEMENTS

9. Operating Profit

The operating Profit is after charging/(crediting)

| | 2004 ¢'000 | 2003 ¢'000 |
|---|---------------|---------------|
| Staff Costs | 31,853,037 | 27,177,122 |
| Raw Cocoa Beans | 220,017,632 | 335,271,831 |
| Other Raw Materials and Packaging | 25,210,957 | 22,929,150 |
| Depreciation of tangible fixed assets | 12,130,013 | 11,988,993 |
| Profit on disposal of tangible fixed assets | (51,156) | 0 |
| Plant Repairs and Maintenance | 2,713,513 | 2,838,693 |
| Adverts and Promotions | 668,672 | 456,562 |
| Research and Development | 10,340 | 113,573 |
| Environmental Expenses | 172,087 | 471,644 |
| Audit Fees and Expenses | 50,250 | 28,250 |
| Director's Emoluments | 266,747 | 304,008 |
| Stock Exchange Expenses | 1,182,948 | 2,851 |
| National Reconstruction Levy | 143,572 | 252,629 |

Hydr. Backlog
¢4m/month

10. Software Costs

Direct development costs associated with internal use software are capitalized and amortized. This includes external direct costs of material and services and payroll costs for employee devoting time to the software projects.

Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

11. Environmental & Sanitation

The company is committed to the provision of adequate resources to ensure that environmental issues are given prior attention and also maintain environmentally sound practices. plant has been provided for and capitalised and depreciated over useful life of the plant.

12. Employees

The average number of employees during the year was as follows:-

| | 2004 | 2003 |
|--------------|------------|------------|
| Operatives | 487 | 471 |
| Supervisors | 59 | 58 |
| Senior Staff | 64 | 66 |
| Total | 610 | 595 |

13. Taxation

The company has been accepted and given the Free Zone Manufacturing status on the 31st July 2004. Provision for the ten months up to 31st July 2004 has been made in the Accounts.

NOTES TO THE FINANCIAL STATEMENTS

TAX POSITION

| Y/A | T/C | T/PD | T/O |
|---------|---------------|-------------|---------------|
| 2 0 0 4 | 1,902,858,952 | 578,866,370 | 1,328,313,082 |

The standard rate for the year based on the Ghanaian tax rate for listed companies is 30% on Local sales and 8% on Export.

14. Dividend

No dividends were proposed and paid for the year ended 30th September 2004. (2003: Nil).

15. Earnings per share

The basic calculation of earnings per share is based on earnings after tax and the weighted average number of ordinary shares outstanding during the year of 861,475,000. Earnings after Tax is ₵4,630,970,000. (ESP = ₵5.38).



TANGIBLE FIXED ASSETS

NOTE 16

| | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 | ϣ'000 |
|--------------------------|--------------------------|-------------------------|----------------------|------------------|-----------------------------|---------------------------|------------------|--------------------|-------|-------|-------|
| | BUILDING & ROAD WORKS | STAFF B'LOW FLATS | PLANT & MACHINERY | MOTOR VEHICLE | OFFICE FURN. & EQUIP. | B'LOW FURN. & EQUIP | L'TORY EQUIP. | TOTAL | | | |
| <u>a) COST/VALUATION</u> | | | | | | | | | | | |
| Balance as at 1/10/2004 | 27,013,210 | 315,800 | 105,431,718 | 8,069,011 | 2,434,788 | 73,313 | 1,605,406 | 144,943,246 | | | |
| Additions | | 0 | 8,333,028 | 1,644,582 | 356,646 | 72,790 | 23,344 | 10,430,390 | | | |
| Transfers/Disposals | | 0 | (119,090) | (200,768) | 0 | (32,038) | 0 | (351,896) | | | |
| Balance as at 30/9/2004 | <u>27,013,210</u> | <u>315,800</u> | <u>113,645,656</u> | <u>9,512,825</u> | <u>2,791,434</u> | <u>114,065</u> | <u>1,628,750</u> | <u>155,021,740</u> | | | |
| <u>b) DEPRECIATION</u> | | | | | | | | | | | |
| Balance as at 1/10/2004 | 913,010 | 11,579 | 15,427,805 | 3,154,280 | 716,081 | 22,448 | 532,128 | 20,777,331 | | | |
| Transfers/Disposals | 0 | 0 | (28,211) | (164,215) | 0 | (12,912) | 0 | (205,338) | | | |
| Charge for the year | 522,004 | 6,084 | 9,567,806 | 1,395,254 | 407,506 | 14,347 | 217,012 | 12,130,013 | | | |
| Balance as at 30/9/2004 | <u>1,435,014</u> | <u>17,663</u> | <u>24,967,400</u> | <u>4,385,319</u> | <u>1,123,587</u> | <u>23,883</u> | <u>749,140</u> | <u>32,702,006</u> | | | |
| <u>NET BOOK VALUE</u> | | | | | | | | | | | |
| AT 30/9/2004 | <u>25,578,196</u> | <u>298,137</u> | <u>88,678,256</u> | <u>5,127,506</u> | <u>1,667,847</u> | <u>90,182</u> | <u>879,610</u> | <u>122,319,733</u> | | | |
| <u>NET BOOK VALUE</u> | | | | | | | | | | | |
| AT 30/9/2003 | <u>26,100,200</u> | <u>304,221</u> | <u>90,003,913</u> | <u>4,914,731</u> | <u>1,718,707</u> | <u>50,865</u> | <u>1,073,278</u> | <u>124,165,915</u> | | | |

NOTES TO THE FINANCIAL STATEMENTS

| | 2004 | 2003 |
|---|--------------------|--------------------|
| | c' 000 | c' 000 |
| 17. STOCKS | | |
| Work-in-Progress | 0 | 3,082,818 |
| Raw Materials Stock | 38,138,450 | 78,083,946 |
| Packaging Materials Stock | 35,311,727 | 36,448,238 |
| Finished Goods Stock | 36,487,399 | 73,124,576 |
| Technical Store Parts Stock | 38,929,416 | 36,999,692 |
| Fuel & Lubricant Stock | 1,064,455 | 907,587 |
| General Goods Stock | 386,263 | 619,017 |
| | 150,317,710 | 229,265,874 |
| 18. ACCOUNTS RECEIVABLE: Amounts falling due within one year | | |
| Trade Debtors | 36,719,664 | 44,401,659 |
| Sundry Debtors | 2,259,748 | 1,130,658 |
| Staff Debtors | 7,307,285 | 5,965,929 |
| Import & Deposits (Letters of Credit) | 39,021,557 | 16,510,066 |
| Prepayment | 0 | 3,424,287 |
| | 85,308,254 | 71,432,599 |
| 19. SHORT TERM INVESTMENT | | |
| Fixed Deposit - Merchant Bank | 0 | 984,374 |
| Fixed Deposit - NIB | 0 | 1,627,391 |
| 91 - Day Treasury Bills | 20,500 | 20,500 |
| Fixed Deposit - Ecobank | 4,527,463 | 3,918,037 |
| Fixed Deposit - Prudential Bank | 4,207,812 | 3,507,490 |
| Fixed Deposit - Prudential USD | 8,046,477 | 20,911,547 |
| | 16,802,252 | 30,969,339 |
| 20. CASH AND BANK BALANCES | | |
| Bank Balances | 3,463,466 | 12,276,029 |
| Cash in Hand | 414,957 | 27,644 |
| | 3,878,423 | 12,303,673 |
| 21. ACCOUNTS PAYABLE: Amounts falling due within one year | | |
| Endowment Fund | (5,722) | (5,000) |
| Bank Overdraft | 2,259,490 | 3,724,182 |
| Trade Creditors | 228,057,288 | 300,045,714 |
| Taxation | 1,323,993 | 165,752 |
| Sundry Creditors | 9,968,532 | 14,860,930 |
| Accruals | 182,822 | 120,604 |
| | 241,786,403 | 318,912,182 |

22. Borrowings

During the year the company secured two separate loans for Expansion of Production Capacity from 25,000 metric tones to 65,00 metric tones.

Total amount disbursed as at 30th September,2004 for Project I :-

| | ¢'000 |
|--|--------------------|
| Barclays Bank led Syndicate Loan (EURO 9,760,501.39) | 108,023,959 |
| EDIF Loan | 6,412,500 |
| | <u>114,436,459</u> |

Total amount repayable over 5 years in equal monthly instalments after one year moratorium. The syndicated loan is denominated and repayable in EURO currency.

23. Capital Commitments

Following from note 22 above a Long-term commitment under Barclays Bank led Syndicate Loan in respect of Machinery and Equipments for Expansion Project II was made

| | ¢'000 |
|--|-------------|
| Amount contracted for (EURO 10,371,268.00) | 124,455,216 |

24. Stated Capital

a) The company is registered with 20,000,000,000 ordinary shares of no par value of which 861,475,000 shares have been issued for ¢24,167,000.00 and fully paid.

b) 1 Preference shares ("Golden Chocolate Share") of no par value which has been issued for ¢1,000,000.00 and fully paid.

The Government of Ghana holds the special rights redeemable preference shares of no par value (the Golden Chocolate Share). The Golden Share is non voting but the holder is entitled to receive notice of and to attend and speak at any general meeting of the members or at any separate meeting of the holders of any class of shares no winding up the class of shares on winding up the Golden share has a preferential right to return of Capital the value of which will be 1,000,000.00 cedis.

25. Capital Surplus (¢82,376,059)

This represents net Revaluation Gain brought about as a result of Valuation of Fixed Asset by Messrs. Valuation and Investment Associates. The basis of this valuation is the Open Market Value for the existing Assets at January 2002.

26. Contingent Liabilities

The company is from time to time, party to legal proceedings and claims which arise in the ordinary course of business. The directors do not anticipate that the outcome of these proceedings and claims, either individually or in aggregate, will have a material adverse effect upon the company's financial position.

NOTES TO THE FINANCIAL STATEMENTS

27. Prior Year Adjustments

| | 2004 €'000 |
|---|------------------------------|
| Reversal of duplicated invoice Re: Orebi & Cie | 470,124 |
| Settlement of compensation due to off flavour Cocoa Liquor | 1,741,200 |
| Under Provision of Tax in previous years | 1,699,370 |
| | <hr/> 3,910,694 <hr/> |

**28. NOTES TO THE CASHFLOW STATEMENT
FOR 30TH SEPTEMBER, 2004****a) RECONCILIATION OF OPERATING PROFIT
to Net Cash Flow from operating activities**

| | 2004 CEDIS '000 | 2003 CEDIS '000 |
|--|------------------------------|-------------------------------|
| OPERATING PROFIT / (LOSS) | 6,846,884 | (40,944,122) |
| DEPRECIATION | 12,130,013 | 11,988,993 |
| (PROFIT) / LOSS ON SALE OF FIXED ASSETS | (51,156) | 0 |
| (INCREASE)/DECREASE IN STOCK | 78,978,164 | (133,488,762) |
| (INCREASE)/DECREASE IN DEBTORS | (13,427,766) | 24,860,199 |
| INCREASE/(DECREASE) IN CREDITORS | (79,612,722) | 180,193,699 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | <hr/> 4,863,417 <hr/> | <hr/> 42,610,007 <hr/> |

28.2. ANALYSIS OF CHANGE IN NET DEBTS
for the year ended 30th September, 2004

| | 1ST OCT 2003 CEDIS '000 | Cash Flow CEDIS '000 | Exchange Movement CEDIS '000 | 30TH SEPT. 2004 CEDIS '000 |
|------------------------------|----------------------------------|-------------------------------|---------------------------------------|-------------------------------------|
| CASH AND BANK BALANCES | 12,303,846 | (8,569,444) | 144,021 | 3,878,423 |
| BANK OVERDRAFT | (3,724,355) | 1,464,865 | 0 | (2,259,490) |
| | | <hr/> | | |
| INCREASE /(DECREASE) IN CASH | | (7,104,579) | | |
| DEBTS DUE WITHIN ONE YEAR | 0 | 0 | 0 | 0 |
| DEBTS DUE AFTER ONE YEAR | (4,500,000) | (109,936,459) | 0 | (114,436,459) |
| CURRENT ASSETS INVESTMENTS: | | | | |
| 'TREASURY BILLS | 20,500 | 0 | 0 | 20,500 |
| FIXED DEPOSITS /CALL A/C | 30,948,839 | (14,167,087) | | 16,781,752 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 35,048,830 | (131,208,125) | 144,021 | (96,015,274) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |





Sustain your Business Discussions with Golden Tree Products



Heads of Barclays Bank and Ecobank on visit to CPC Chocolate Factory. Those in the picture include Mrs. Margaret Mwanakatwe, Messrs Albert Essien and Richard A. Tetteh - Managing Directors of Barclays Bank, Ecobank & CPC respectively.



Madam Cecilia Dapaah together with Hon. Stephen Balado Manu, Messrs. David Coleman and Rockson Asare (All Board Members) on visit to the expansion project site.

DIRECTORS' SHAREHOLDING

| | |
|--------------------------------------|----------------|
| Madam Cecilia Abena Dapaah | 15,000 |
| Mr. Richard Armarh Tetteh | 552,000 |
| Hon. Osei Kyei-Mensah-Bonsu MP | 19,000 |
| Mr. Kwame Sarpong | 16,000 |
| Mr. Hayford Agbemenyale Kwasi Fiamor | 15,000 |
| Mr. John Amo-Bediako | 15,000 |
| Mr. Kassim Yahya | 15,000 |
| Mr. David Coleman | 15,000 |
| Hon. Stephen K. Balado Manu MP | 15,000 |
| Mr. Ignatius Asare Rockson | 54,991 |
| | 731,991 |

SHAREHOLDING DISTRIBUTION

| Category of Holdings | No. of Shareholders | Total Holding | Percentage Holding (%) |
|----------------------|---------------------|--------------------|------------------------|
| 1 to 1,000 | 27,284 | 12,657,983 | 1.47 |
| 1,001 to 5,000 | 18,329 | 41,030,825 | 4.76 |
| 5,001 to 10,000 | 1,693 | 13,135,512 | 1.53 |
| Over 10,000 | 920 | 794,650,680 | 92.24 |
| | 48,226 | 861,475,000 | 100 |





20 LARGEST SHAREHOLDERS

| Shareholder's Name | No. of Shares | Percentage Holdings (%) |
|---|--------------------|-------------------------|
| 1. Government of Ghana | 516,884,200 | 60.00 |
| 2. Social Security & National Insurance Trust | 206,754,000 | 24.00 |
| 3. NTHC Limited | 15,667,400 | 2.00 |
| 4. Ashanti Goldfields Company Limited Employees | 3,200,000 | 0.37 |
| 5. State Insurance Company Limited | 3,200,000 | 0.37 |
| 6. Ghana Reinsurance Company Limited | 1,600,000 | 0.19 |
| 7. Agricultural Development Bank | 1,600,000 | 0.19 |
| 8. Donewell Insurance Company Limited | 1,120,000 | 0.13 |
| 9. Mensah Baah Matthew | 960,000 | 0.11 |
| 10. Boohene Edward Henaku | 800,000 | 0.09 |
| 11. Donewell Insurance Company Limited | 800,000 | 0.09 |
| 12. Tetteh Richard Amarrh | 552,000 | 0.06 |
| 13. Acre Consolidated Limited | 500,000 | 0.06 |
| 14. CDH AM/A. S. P. F. | 500,000 | 0.06 |
| 15. Insurance compensation Fund | 480,000 | 0.06 |
| 16. Hyde J. E. | 400,000 | 0.05 |
| 17. Ghana Union Assurance | 320,000 | 0.04 |
| 18. National Investment Bank | 320,000 | 0.04 |
| 19. Yohuno Francis | 266,200 | 0.03 |
| 20. Boachie-Adjei Hilda | 262,400 | 0.03 |
| | 756,186,200 | 87.96 |

FORM OF PROXY

I/We.....

of

..... being member/members of Cocoa Processing Company Limited hereby appoint

*

of

Or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us at the Annual Meeting to be held at the Accra International Conference Centre, Accra on Tuesday, 23rd August 2005 at 10.00 am and at every adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your vote to be cast.

| RESOLUTION | FOR | AGAINST |
|---|-----|---------|
| 1. To receive the accounts | | |
| 2. To re-elect Mr. Hayford Agbemanyale Kwasi Fiamor as a Director | | |
| 3. To re-elect Mr. Ignatius Rockson Asare as a Director | | |
| 4. To re-elect Hon. Stephen Kwaku Balado Manu MP as a Director | | |
| 5. To authorize the Directors to fix the remuneration of the Auditors | | |

Signed this day of2005.

Shareholder's Signature

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

NOTES:

A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.

Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space marked (*) the name of any person, whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.

In the case of joint holders, each joint holder should sign.

If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.

Please sign the above proxy form and send it so as to reach the address shown overleaf not less than 48 hours before the appointed time of the meeting.

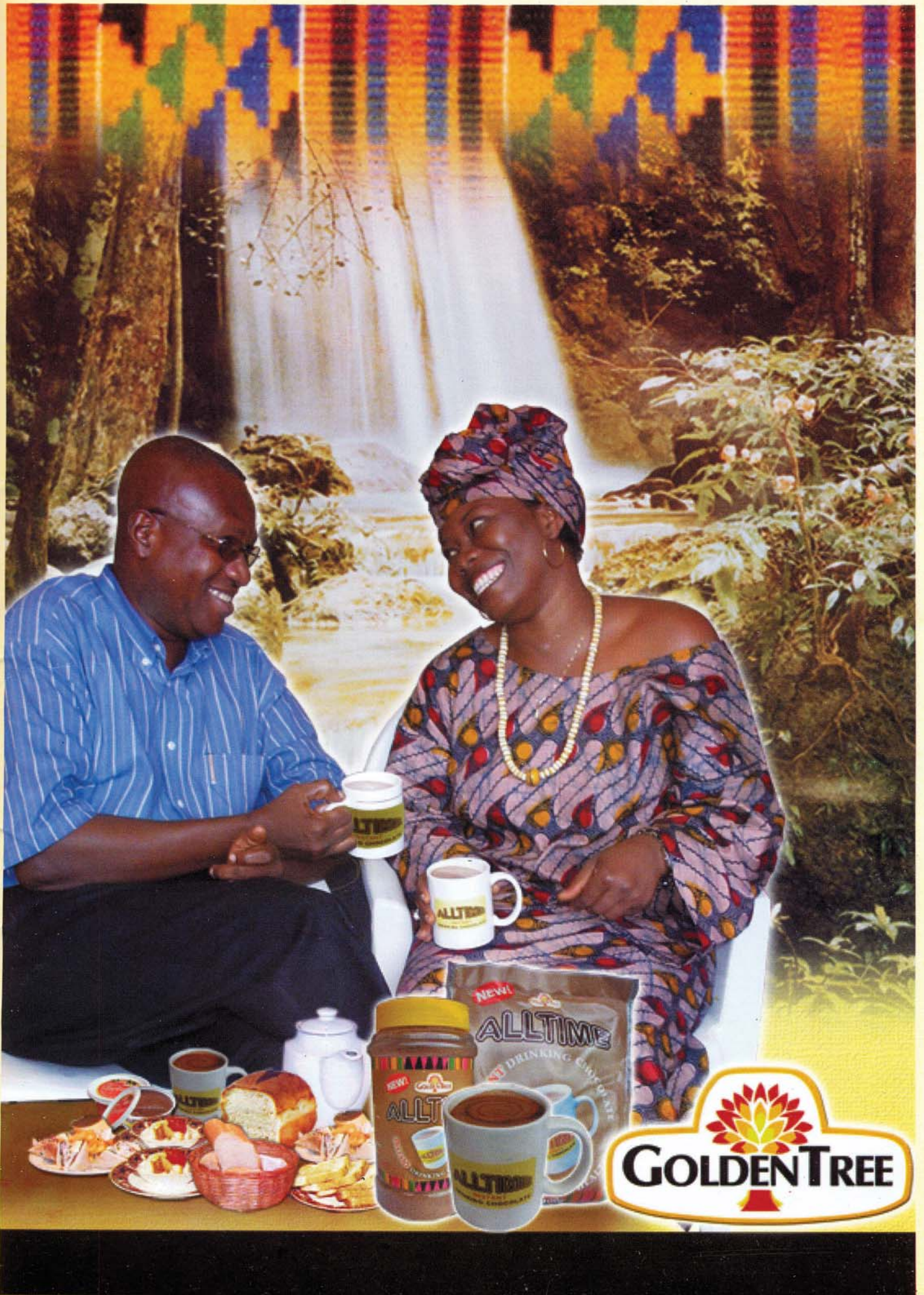
The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

SECOND FOLD HERE

**THE REGISTRAR
COCOA PROCESSING
COMPANY LIMITED
C/O NITHC LTD.
MARTICO HOUSE
NO. D542/4
OKAI MENSAAH LINK
ADABRAKA
P.O. BOX 9563
AIRPORT - ACCRA**

THIRD FOLD HERE

FIRST FOLD HERE




GOLDEN TREE



A display of CPC's semi-finished products

COCOA PROCESSING COMPANY LTD.
Manufacturers of semi-finished cocoa and
confectionary products

Head Office: Heavy Industrial Area, Private Mail Bag, Tema Ghana

Telephones: 233-(0)-22-202914 • 233-(22)-202926 • 233-(0)-22-206375
233-(0)-22-212153

FAX: 233-(0)-22- 206657 • 204411

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