

Public Share Offer

Tuesday, 17th September — Friday, 25th October

Mini Prospectus

RESEARCH

FOR THE SALE OF
215,368,750 ORDINARY SHARES
OF NO PAR VALUE
OF THE

Cocoa Processing Company Limited

AT
¢1,000.00 EACH



NTHC Ltd.

On Behalf Of The Government Of The Republic Of Ghana

17th September, 2002

Responsibility for the accuracy of the information contained in this document lies with the Government of Ghana and the Directors of Cocoa Processing Company Limited ["CPC"]. Having taken all reasonable care to the best of their knowledge and belief, the Government of Ghana and the Directors of CPC regard information in this document as in accordance with the facts and does not omit anything likely to affect the import of such information.

A copy of this document has been delivered to the Registrar-General's Department in Ghana for registration. The Registrar of Companies, Ghana has not checked and will not check the accuracy of any statements made and accepts no responsibility therefor or for the financial soundness of the Company or the value of the securities concerned. This document was registered by the Registrar of Companies, Ghana on September 17, 2002.

Application has been made to the Ghana Stock Exchange ("GSE"), a stock exchange approved in accordance with Section 280 of Ghana's Companies Code, 1963 (Act 179) as amended by Section 145 (2) of the Securities Industry Law 1993, (PNDC Law 333) as amended by Securities Industry (Amendment) Act 2000, Act 590, for listing the shares hereby offered and other issued shares of the Company on the GSE. The GSE has given approval for the listing of the said shares. No person has been authorized to give any information or to make any representation other than those contained in this document, and if given or made, such information or representation must not be relied upon as having been authorized.

Application has been made to the Securities and Exchange Commission ("SEC"), pursuant to the Securities Industries Law ("SIL") 1993, (PNDC Law 333) as amended by Securities Industry (Amendment) Act 2000, Act 590, to offer the shares of CPC to the public and under the terms disclosed in this Prospectus. The SEC has given approval for the offering of the said shares to the public and under the terms disclosed in this Prospectus.

Cocoa Processing Company Limited

(Incorporated in Ghana with limited liability under the Companies Code, 1963 (Act 179) with registered No. 19,936)

Offer For Sale On Behalf Of The Government Of Ghana Of 215,368,750 Ordinary Shares Of No Par Value

**at ¢1,000 per share
BY**

NTHC Limited

The distribution of this document and the offering of the shares in certain jurisdictions may be restricted by law; persons into whose possession this document comes are required by CPC to inform themselves about, and observe, any such restrictions. This document does not constitute an offer to, and may not be used for the purpose of an offer to, or the solicitation by, anyone in any jurisdiction or in any circumstance in which such offer or solicitation is not authorized or is unlawful.

Before deciding whether to apply for Shares, you should consider whether Shares are a suitable investment for you. Their value can go down as well as up. Past performance is not necessarily indicative of future performance. If you need advice, you should consult an appropriate professional adviser.

Neither the delivery of this document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

NTHC Limited is acting solely for Cocoa Processing Company Limited and the Government of Ghana. NTHC Limited will not be responsible to anyone other than Cocoa Processing Company Limited and the Government of Ghana for providing the protection offered to its customers or for providing advice in relation to such transactions.

Details of the Company's share capital and indebtedness are set out on Page v of the Prospectus.

CPC PROSPECTUS Dated September 17, 2002

Lead Manager & Sponsoring Broker: NTHC Limited

KEY MILESTONES AND EXPECTED TIME TABLE

2002

Launching and Commencement of the Offer	<i>Tuesday, September 17, 9.00am</i>
Offer Ends (6 weeks)	<i>Friday, October 25, 3.00pm</i>
Latest Date and Time for receipt of application forms	<i>Friday, October 25, 3.00pm</i>
Allotment begins	<i>Monday, October 28, 9.00am</i>
Allotment Period ends, Issue of Share Certificates commence .	<i>Friday, November 15, 3.00pm</i>
Final Despatch of Share Certificates	<i>Friday, December 06, 3.00pm</i>
Dealings Commence on The Ghana Stock Exchange	<i>Friday, December 13, 10.00am</i>

All times are Greenwich Mean Time ["GMT"]. All dates provided are subject to change by the Managers of the offer in consultation with the Government of Ghana, the Board of Directors of Cocoa Processing Company Limited, and the Ghana Stock Exchange.

Lead Manager & Sponsoring Broker: NTHC Limited

CONTENTS

	<i>Page</i>
Key Milestones And Expected Time Table	i.
Contents	ii.
Summary of the Offer and Resulting Share Capital	iii.
Directors and Corporate Information	iv.
Advisors to the Offer	v.
Advisors to the Vendor	vi.
Table of Definitions	vii.
1. The Cocoa Processing Company Limited Share Offer	1.
2. Business Profile Of Cocoa Processing Company Limited	3.
3. Industry & Policy Review: The Cocoa Business	10.
4. The Financial Prospects: 2002, 2003-2004	14.
5. Risk Factors In The Investment Decision	20.
6. Description Of The Offer	21.
7. Terms and Conditions Of The Offer	23.
8. Application Process & Instructions, Completion Guide and Forms	28.
 GUIDE TO COMPLETING THE APPLICATION FORM	 31.
 APPLICATION FORM	 32.

SUMMARY OF THE OFFER & SHARE CAPITAL

Share Offer

The Offer: 215,368,750 ordinary shares at €1,000 per share

Share Capital Following The Share Offer

<i>Authorized</i>		<i>Issued and Fully Paid</i> ¹
20,000,000,000	Ordinary shares of no par value	861,475,000
1	Special rights redeemable preference share ("Golden Chocolate Share") of no par value ² ...	1

Capitalization

	<i>September 30, 2002</i> ³	<i>September 30, 2001</i>
Stated Capital	24,167,256,000.-	10,000,000,000.-
Capital Surplus	90,000,000,000.-	207,028,000.-
Income Surplus Account	53,789,485,000.-	51,631,040,000.-
<i>Total Shareholders' Equity</i>	<i>167,956,741,000.-</i>	<i>61,838,068,000.-</i>
Short Term Borrowings ⁴	0.-	0.-
Long Term Borrowings	49,552,940,000.-	0.-
<i>Total Borrowing</i>	<i>49,552,940,000.-</i>	<i>0.-</i>
Total Capitalization	217,509,681,000.-	61,838,068,000.-
<i>Per Share Before Offer</i> ⁵	<i>252.480</i>	

Earnings, Dividend History, And Analysis

	<i>1 9 9 7</i>	<i>1 9 9 8</i>	<i>1 9 9 9</i>	<i>2 0 0 0</i>	<i>2 0 0 1</i>
Net Earnings.....[€m]	13,709.805	15,203.781	(1,087.117)	22,829.233	16,402.316
Earnings Per Share.....[€]	13,710.0	15,204.0	(1,087.0)	22,829.0	16,402.0
Dividends.....[€m]	4,137.825	4,561.159	0.00	6,848.770	4,901.477
Payout Ratio	30.18%	30.00%	0.00	30.00%	29.88%

¹ Assuming the over-subscription option is not exercised.

² The rights attached to the "Golden Chocolate Share" are stated in Regulations 9 to 14 of the Company's Regulations.

³ Includes information from audited accounts for the 6-month period ending March 31, 2002 and prospective information from Management Estimates, for the period April 01 – September 30, 2002, to complete the fiscal 2001 business year.

⁴ The Company has no short term borrowings. Moreover, even sums outstanding as payables are mainly amounts owed on cocoa purchases from Ghana Cocoa Board.

⁵ Assumes that the share offer is fully taken up, and no exercise of the over-subscription option which enables the Company to issue additional new shares.

DIRECTORS AND CORPORATE INFORMATION

Directors: **Ms. Cecilia Abena Dapaah,** *Chairperson*
 Hon. Osei Kyei-Mensah-Bonsu, MP
 Mr. Kwame Sarpong
 Mr. Hayford A. K. Fiamor
 Mr. John Amo-Bediako
 Mr. Kassim Yahya
 Mr. David Coleman
 Hon. Stephen K. Balado Manu, MP
 Mr. Rockson Asare, *Staff Representative*
 Mr. Paul Kwame Awua *Managing Director*

**Secretary to the
Board & Legal
Advisor:** **Mr. Stephen Ofori-Adjei**

Auditors: **Darko Sarpong & Co**
 Chartered Accountants,
 P. O. Box 9504, Airport,
 Accra, Ghana

Registered Office: Heavy Industrial Area, Tema, Ghana.

Registrars: **NTHC Limited**
 P.O. Box 9563, Airport-Accra
 Martco House,
 No D542/4, Okai Mensah Link
 Adabraka, Accra, Ghana

Lead Manager & Sponsoring Broker: NTHC Limited

ADVISORS TO THE SHARE OFFER

**Sponsors To The Listing On
The Ghana Stock Exchange:**

NTHC Limited
P.O. Box 9563, Airport-Accra
Martco House,
No D542/4, Okai Mensah Link
Adabraka, Accra, Ghana

Managers Of The Offer:

NTHC Limited
P.O. Box 9563, Airport-Accra
Martco House,
No D542/4, Okai Mensah Link
Adabraka, Accra, Ghana

Reporting Accountants:

James Quagraine & Co.
Chartered Accountants & Management Consultants
P.O. Box 3947, Accra
1st Floor, SSNIT Trust Towers
Farrar Avenue, Adabraka,
Accra, Ghana.

Legal Advisors:

Ntrakwah & Co.
P. O. Box 12556
No.4, Watson Avenue
Adabraka, Accra, Ghana.

Registrar:

NTHC Limited
P.O. Box 9563, Airport-Accra
Martco House,
No D542/4, Okai Mensah Link
Adabraka, Accra, Ghana

Receiving Brokers:

NTHC Limited
Capital Alliance Company Limited
CAL Brokers Limited
Databank Brokerage Limited
Gold Coast Securities Limited
Ecobank Stockbrokers Limited
Sterling Securities Limited

New World Investments Limited
Worldwide Securities Limited
CDH Securities Limited
First Atlantic Brokers Limited
Merban Stockbrokers Limited
SDC Brokerage Limited
Strategic African Securities Limited

Receiving Banks:

Ghana Commercial Bank Limited
National Investment Bank Limited
Prudential Bank Limited
S S B Bank Limited
Merchant Bank Ghana Limited
Amalgamated Bank Limited
Stanbic Bank Limited
International Commercial Bank Limited
Metropolitan & Allied Bank Limited

The Trust Bank Limited
Agricultural Development Bank Limited
Ecobank Ghana Limited
CAL Merchant Bank Limited
First Atlantic Merchant Bank Limited
Barclays Bank of Ghana Limited
Standard Chartered Bank Ghana Limited
Unibank Ghana Limited

Receiving Rural Banks:

Bia Torya Rural Bank (Bonsu Nkwanta, Western Region)
Amenfiman Rural Bank (Manso Amenfi, Western Region)

Kaaseman Rural Bank (Sefwi Kaase, Western Region)

Lead Manager & Sponsoring Broker: NTHC Limited

ADVISORS TO THE VENDOR

For the privatization of Cocoa Processing Company Limited (“CPC”), the *Government of Ghana* as the sole shareholder first through the *Ghana Cocoa Board* and then directly through the *Minister of Finance*, appointed NTHC Limited to advise on the fast track privatization of CPC, and to implement Government’s objective to list CPC on the Ghana Stock Exchange through a public share flotation. NTHC Limited constituted an *Advisory Team* comprising the following expert groups and responsible persons to realize this objective.

NTHC Limited:

P. O. Box 9563, Airport-Accra
Martco House
N. D542/4, Okai Mensah Link
Adabraka, Accra, Ghana
Dr. A. W. Q. Barnor – Project Lead Advisor
And Ms Elizabeth Baddoo - Flotation Manager
Ms. Yaa Antwi & Mr. Kojo Graham - Project Advisors

Lead Advisors**Emos Consultancy Limited**

6th Floor, SSNIT Trust Towers,
Farrar Avenue, Adabraka,
P. O. Box AN 11448, Accra, Ghana
Kodwo Edisi Ampofo - Project Technical Consultant

Privatization Technical Consultants**James Quagraine & Co.:**

P. O. Box 3947, Accra
1st Floor, SSNIT Trust Towers
Farrar Avenue, Adabraka
Accra, Ghana
George Afedzi Hayford – Principal Consultant

Financial Due Diligence**Ntrakwah & Co.:**

P. O. Box 12556
No. 4, Watson Avenue
Adabraka, Accra, Ghana
Felix Ntrakwah - Legal Expert

Legal Advisor**Primetime Ltd.:**

P. O. Box AN 5458
Accra-North, Accra, Ghana
Kwaku Mensa-Bonsu – Media/Publicity Consultant

Media Advisor

Lead Manager & Sponsoring Broker: NTHC Limited

TABLE OF KEY DEFINITIONS

GSE	Ghana Stock Exchange
SEC	Securities & Exchange Commission (<i>formerly Securities Regulatory Commission, SRC</i>)
SIL	Securities Industry Law
CODE	Companies Code of 1963, Act 179
ICCO	International Cocoa Organization
COCOBOD	Ghana Cocoa Board
CPC	Cocoa Processing Company Limited
CMC	Cocoa Marketing Company Limited
CSD	Cocoa Services Division
WAMCO	West African Mills Company Limited
CPC-PORTEM	Cocoa Processing Company Ltd. Tema Factories
LBCs	Licensed Buying Companies (in cocoa industry)
EU	European Union
USA	United States of America
IMF	International Monetary Fund
ECA	Exchange Control Act
GOG	Government of Ghana

Lead Manager & Sponsoring Broker: NTHC Limited

SECTION 1: The Cocoa Processing Company Limited Share Offer

1.1 The Basis And Purpose Of The Share Offer

Government has declared a “golden age” of business in Ghana. The private sector, long projected as the engine of growth for Ghana’s economy, is now being positively empowered to bring the golden age of business into reality. A key pillar of the golden age of business is the primacy of individual initiative in wealth creation. Through privatization, the state is opening up investment opportunities for participation by the citizenry in their capacity as individual investors.

Government of Ghana, through NTHC Limited, is offering 215,368,750 shares, 25% of the state’s interest in CPC’s equity, to the investing public. Subsequent to this public share offer, CPC’s shares will be listed for trading on the First Official List of the Ghana Stock Exchange.

1.2 Cocoa Sector Developments And CPC’s Business Model

The privatization of CPC forms part of a series of reforms to restructure the cocoa industry to enhance its value creation potential. The CPC share offer is therefore another step in the cocoa sector’s liberalization and privatization initiatives to improve its efficiency and value creation for all stakeholders. In preparation for CPC’s privatization, the Company’s assets were re-valued in January, 2002 by *Valuation and Investment Associates*. CPC has also been converted into a public limited liability company under the Companies Code, 1963 (Act 179) and its shares transferred from Ghana Cocoa Board to the Minister of Finance to hold on behalf of the Government of Ghana.

CPC’s business model directly links to the most advantageous profile in the Ghanaian economy: value added processing for export to earn foreign exchange. About *ninety-five percent (95%)* of CPC’s business is value added cocoa processing to produce intermediate cocoa products for export to international markets, while five percent (5%) is further upstream in related chocolate confectionery products for the domestic market. Although cocoa export has lost its leading role as the key foreign exchange earner in recent years, cocoa is still at the core of Ghana’s economy.

1.3 The Company’s Authorised Business

The nature of the business which the Company is authorized to carry on are:

- *To acquire and take over as a going concern the activities and businesses, in particular the Tema Cocoa Factories, of the Cocoa Processing Division of the Ghana Cocoa [Marketing] Board and all, or any of the assets and liabilities of the said Processing Division of the Ghana Cocoa [Marketing] Board.*
- *To arrange to purchase cocoa beans from the Ghana Cocoa [Marketing] Board, or any other persons, or entities, or bodies permitted by law to buy, or sell cocoa beans in Ghana, and process same into cocoa cake, cocoa liquor, cocoa powder, chocolate and other cocoa-based confectionery.*
- *To promote, or undertake research into the processing of cocoa beans including cocoa waste into marketable cocoa products.*
- *To appoint agents, or enter into arrangements, or agreements with any company, firm, or any person, or group of persons with a view to carrying on the business of the Company, especially the distribution of some of the Company’s products.*

1.4 Key Information On CPC’s Business

Cocoa Processing Company Limited purchases cocoa beans and processes them into intermediate cocoa products and confectionery in two factories: the Cocoa Factory, and the Confectionery Factory. The Cocoa Factory processes cocoa beans into intermediate cocoa products like cocoa liquor, natural and alkalized cocoa powder, cocoa butter, natural and alkalized kibbled cake, and a by-product - cocoa shells. The only other cocoa processing factories in Ghana are operated by the local subsidiary of processing giant Barry Callebaut, and also by WAMCO, a joint venture between Ghana Cocoa Board and Schroeder of the HOSTA group of Germany.

CPC’s Confectionery Factory uses cocoa liquor, butter and powder from its Cocoa Factory to produce beverages like VITACO and ALLTIME drinking chocolates. It also produces bar chocolate in the popular GOLDEN TREE brands widely available on the local market, as well as couverture of all chocolate flavours, and chocolate coated nuts popularly called pebbles.

Lead Manager & Sponsoring Broker: NTHC Limited

About 95% of CPC's production is exported into international markets to earn foreign exchange, while 5% is sold in the domestic Ghanaian market. Indeed, CPC supplies inputs to the local subsidiaries of processing giants Nestle, and also Cadbury, for the production of their brands of cocoa and chocolate products. CPC also does *contract manufacturing of special branded (custom)* products for international clients.

In terms of capacity, Cocoa Processing Company Limited has about 18.5% of current domestic processing capacity of 135,000 metric tons. There is an ongoing expansion program to double processing capacity by mid-2003. Upon completion to bring on line this pipeline capacity, CPC will have 26.0% of an increased domestic processing capacity of 190,000 metric tons.

1.5 Summary Of The Offer

The offer is being made to interested investors, institutions and individuals, resident in Ghana and in other ECOWAS countries and to residents, institutions and individuals in a limited number of countries whose laws permit them to invest under the terms of the share offer. The Offer Price is €1,000 per share. The minimum purchase quantity is 100 shares, and multiples of 50 shares thereafter.

The CPC share offer will start on Tuesday, September 17, 2002 at 9.00am GMT and close on Friday October 25, 2002 at 3.00pm GMT, unless the period is extended by the Managers in consultation with the Government of Ghana, the Cocoa Processing Company Limited, and the Ghana Stock Exchange.

If the Offer is over-subscribed, the over-subscription will be allocated to a new share issue by the Company up to 10% of current issued shares. This will enable CPC to issue and allot additional shares up to 86,147,500 ordinary shares to raise funds to supplement its working capital, or to retire some of the debt accruing from the factory capacity expansion. In the event that the Exchange's requirement for a 25% public float is not achieved, NTHC, on behalf of CPC, would request a waiver of that listing requirement. The Exchange has indicated its intention to favourably consider such a request.

1.60 Summary Financial Information: The following provides key financial information from the Company.

Selected Balance Sheet Information for the Fiscal Year Ended						
	Mar. 2002	Sep. 2001	Sep. 2000	Sep. 1999	Sep. 1998	Sep. 1997
	€ million	€ million	€ million	€ million	€ million	€ million
ASSETS						
Bank and Cash Balances	7,626.975	3,317.404	17,594.295	2,879.768	2,163.084	2,346.326
Accounts Receivable.....	26,377.844	27,209.277	28,361.512	15,488.637	4,121.827	3,111.496
Prepayments & Deposits	63,095.070	75,781.221	4,269.364	1,796.850	3,915.994	4,720.121
Inventory Stocks	99,202.182	88,775.709	37,710.541	23,250.813	36,575.220	22,377.106
Investments	23,909.948	15,585.098	6,546.055	6,509.058	5,515.902	4,684.605
Fixed Assets	<u>28,518.936</u>	<u>26,531.067</u>	<u>15,140.427</u>	<u>12,264.162</u>	<u>10,743.574</u>	<u>7,218.755</u>
	248,730.955	237,199.776	109,622.194	62,189.288	63,035.601	44,458.409
CLAIMS ON ASSETS						
Bank Overdraft	0.000	0.000	0.000	0.000	0.000	0.000
Accounts Payable	170,086.320	159,767.023	49,853.930	25,895.323	21,569.491	13,707.016
Taxation	3,444.438	3,844.438	1,145.086	294.511	1,231.880	642.149
Proposed Dividend	11,750.247	11,750.247	6,848.770	0.000	4,561.159	4,137.825
Long Term Loans	0.000	0.000	0.000	0.000	0	6.137
Shareholders Funds	<u>63,449.950</u>	<u>61,838.068</u>	<u>51,774.408</u>	<u>35,999.454</u>	<u>35,673.071</u>	<u>25,965.282</u>
	248,730.955	237,199.776	109,622.194	62,189.288	63,035.601	44,458.409
Selected Profit and Loss Information for the Fiscal Year Ended						
	Mar. 2002	Sep. 2001	Sep. 2000	Sep. 1999	Sep. 1998	Sep. 1997
	€ million	€ million	€ million	€ million	€ million	€ million
Turnover	116,185.553	173,613.123	134,222.060	50,587.151	85,347.155	65,667.070
Cost of Sales	<u>(110,183.861)</u>	<u>(148,343.848)</u>	<u>(105,442.011)</u>	<u>(43,342.475)</u>	<u>(66,561.618)</u>	<u>(50,488.373)</u>
Gross Profit	6,001.692	25,269.275	28,780.049	7,244.676	18,785.537	15,178.697
Investment & Other Income ...	1,935.209	2,807.746	1,914.210	2,513.859	2,033.175	2,252.649
Exchange Gain/(Loss)	1,098.175	2,054.134	1,100.695	0.000	0.000	0.000
Direct Operating Expenses	<u>(5,305.901)</u>	<u>(7,431.087)</u>	<u>(5,199.831)</u>	<u>(3,869.699)</u>	<u>(3,117.433)</u>	<u>(1,990.069)</u>
Admin. & General Expenses	<u>(2,127.481)</u>	<u>(4,447.078)</u>	<u>(1,605.721)</u>	<u>(1,157.699)</u>	<u>(1,206.330)</u>	<u>(619.865)</u>
Profit/(Loss) after Tax	1,601.694	16,402.316	22,829.233	(1,087.117)	15,203.781	13,709.805

Lead Manager & Sponsoring Broker: NTHC Limited

SECTION 2 : Business Profile Of The Cocoa Processing Company Limited

2.1 CPC's Business : The Value Creation Basis

The Cocoa Processing Company Limited was incorporated in November, 1981 as a subsidiary of the Ghana Cocoa Board to coordinate and control the operations of the cocoa processing factories at Tema (CPC-Portem) and Takoradi (CPC-Taksi). CPC's operations were subsequently consolidated around the Tema cocoa factories (*Portem*). The Takoradi factory and *West African Mills (WAM) – Gill & Duffus'* pioneer factory - which COCOBOD took over in 1982, were devolved into a separate, new *joint venture*.

The main business of CPC is value added processing of raw cocoa beans into *intermediate, or semi finished* cocoa products – *cocoa liquor, butter, natural and alkalized cake and powder, and finished products*. CPC operates two factories in its business: the Cocoa Factory, and the Confectionery Factory. The Cocoa Factory produces intermediate cocoa products mainly for export, and also to feed the Confectionery Factory. The Confectionery Factory processes intermediate cocoa products into finished confectionery for export and for the domestic market. CPC also undertakes *contract manufacturing* of specialty or custom products for international clients. Currently, the Company is embarking on an expansion program to double its production capacity by the middle of 2003. In the longer term, CPC is looking to add another production line to process locally-grown Ghana coffee.

2.2 Governance, Management and Employment

Governance & Management

The Company has its office and factories on the same premises at the Tema Heavy Industrial Area. CPC is currently under the direction of a 10-member *Board of Directors* appointed by the shareholders of the Company. An *executive management* comprising the *Managing Director, General Manager–Finance, General Manager–Cocoa, General Manager–Confectionery*, and 10 departmental heads run the daily affairs of CPC.

Other Non-management Employees

CPC has two levels of non-management employees: unionized staff and senior staff. The unionized staff are covered by a *Collective Bargaining Agreement (CBA)* between CPC and the *Industrial & Commercial Workers Union (ICU)* renegotiated on January 01, 2001 for a two year duration.

CPC's Senior Staff have up till date been covered by *Ghana Cocoa Board Senior Staff Conditions of Service*, as CPC was a subsidiary of COCOBOD. It is the expectation that *subsequent to the share flotation and listing* on the GSE, the Company will initiate steps to establish its own dedicated *Senior Staff Conditions of Service*.

2.3 Assets of the Company

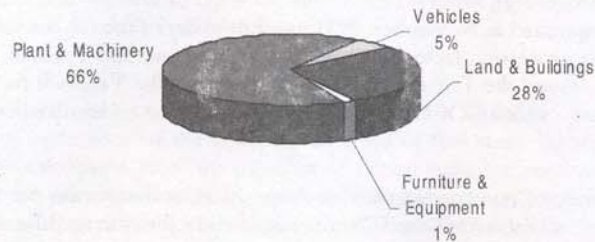
Key Assets

The value of the Company's fixed assets, was assessed in January, 2002 at €118,810,685,721 (*One hundred and eighteen billion, eight hundred and ten million, six hundred and eighty-five thousand, seven hundred and twenty-one cedis*). The assets comprise *landed properties* (office/factory, residential, and other ancillary buildings), *furniture, furnishings and office equipment, plant and machinery, and motor vehicles*.

Structure of the Asset Holdings

Analysis of the structure of the asset holdings show that the *distribution of value contribution* by the various asset groups to the total asset value is heavily skewed in favour of *Plant & Machinery* (66%). This predominance of plant and machinery gives a positive indication of how the company deploys its resources directly into value creation. *Land and Buildings* to support the production infrastructure ranks next to Plant and Machinery, contributing 28% of total fixed asset value. Residential buildings form only a very small part (0.94%) of the asset holdings.

The chart below profiles the structure of the fixed assets of the company.

CPC - COMPOSITE STRUCTURE OF FIXED ASSETS

2.4 Cocoa Processing – The CPC Value Creation Model

2.4.1 The Cocoa Factory

CPC unlike other cocoa processing factories, uses only Ghana cocoa grades I and II obtained at FOB prices from the *Cocoa Marketing Company Limited*, a subsidiary of COCOBOD. Other cocoa processing factories rather blend Ghana's superior quality cocoa beans with lower quality beans to generate their products.

The Company maintains "Quality Assurance" as the watchword all through the production process. Indeed, CPC's value creation process can be briefly categorized in the following key steps.

Cleaning & Storage

Cocoa beans are delivered to the Company in jute sacks and are immediately discharged into the cleaning chamber. Ambient air is then blown through the beans to remove foreign materials, stones, twine, etc., before storage in silos to await the next steps in the production process.

Roasting

From the silos, the beans are taken up by elevators to the roaster where the beans, with a moisture content of about 7.5%, are roasted to a moisture content of not more than 2%.

Breaking & Winnowing

From the roasting ovens, the beans are conveyed to the breaking chamber where the shells are removed and the beans broken into pieces. Winnowing separates the shells from the *nib*, i.e. the bean without the outer shell. The shells are conveyed through a separate chute to the bagging point.

Milling

The roasted *nib* is then conveyed to the milling plant on continuous flow automated conveyer belts. The roasted *nib* is thereafter taken through the grinding phases, from the coarse phase to the fine phase, after which a paste, *cocoa masse*, is produced.

Heat Treatment

The *cocoa masse* goes through heat treatment to kill off micro organisms that may be present.

Alkalization

The *cocoa masse* is then divided into two parts: one part is taken through *Alkalization* – treatment with potassium carbonate - to reduce acidity and the bitter taste. The other part remains in the natural state. Both the alkalized and the natural *masse* are then taken through the hydraulic presses to extract the oil.

Tempering & Packing

Part of the *cocoa masse* goes through *tempering*, a process of allowing the *masse* to cool while being stirred continuously to ensure uniform composition. The *cocoa liquor* thus obtained is then packed in polythene-lined cardboard cartons.

Lead Manager & Sponsoring Broker: NTHC Limited

Pressing

The other part of the *cocoa masse* is then conveyed to the hydraulic presses to squeeze out the oil, i.e. *cocoa butter*, from the *masse*, leaving the residue, *cocoa cake*, with 10%-12% fat.

Filtration & Tempering

The oil is then taken through very fine filters which remove all particles of *masse* remaining. The filtered butter is taken through tempering and refining, resulting in a light-yellow fat which is then packed as 100% cocoa butter.

Cocoa Cake: Kibbling & Pulverization

The residue after the butter has been pressed out of the *masse* is the *cocoa cake*. The cake comes out of the press in a disc shape with a diameter of about 45mm and is conveyed to the breaker where it is *kibbled*, i.e. broken up into pieces. Both the *alkalized* and the natural cake go through this process. Some of the cake is packed as *kibbled cake*, and the rest is taken to the *pulverization* stage where the *kibbled cake* is reduced to fine cocoa powder and packed. At the packing stage all products pass through metal-detecting devices to ensure that the highest and most stringent quality and safety standards are met.

End Products of the Cocoa Factory

The process briefly described above ends in the production of cocoa liquor, butter, natural and *alkalized kibbled cake*, natural and *alkalized cocoa powder*, and *cocoa shells*. Cocoa shells are actually a valuable by-product of the processing chain.

2.4.2 The Confectionery Factory

The Confectionery factory uses cocoa liquor, butter and powder from the Cocoa factory in the production of its brand of drinking chocolate, bar chocolate, couverture of all flavours of chocolate and chocolate-coated nuts called pebbles. CPC produces Ghana's popular "Golden Tree" chocolates.

The unique quality of CPC's *Golden Tree* chocolates is the use of 100% *cocoa butter*. The drinking chocolates – *ALLTIME* and *VITACO* – also have the unique ability to *dissolve in cold water* as well as in hot water, unlike *most of the competing brands* on the market *which require relatively warmer liquids* to dissolve.

2.5 Sources of Revenue

CPC's source of revenue is from the sale of the products of the factories on both the international markets (95%), and local markets (5%). The tables below present production figures in metric tons (mt) for the two factories from 1994/95 to 2000/01.

COCOA FACTORY	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Beans Processed[mt]	16,681.95	18,958.88	19,800.34	11,941.84	24,980.81	23,083.33
Cocoa Butter[mt]	3,680.20	3,935.23	3,782.60	2,464.90	4,905.77	4,366.00
Cocoa Liquor[mt]	5,725.72	6,843.65	7,861.63	4,415.85	9,724.50	9,064.18
Cocoa Cake[mt]	3,406.40	4,289.52	4,137.76	2,789.88	5,432.88	5,062.96
Cocoa Powder [mt]	1,465.95	1,024.07	2,183.23	1,987.33	1,519.13	2,072.03
Throughput Yield	85.6%	84.9%	90.7%	97.6%	86.4%	89.1%
Capacity Utilization	66.7%	75.8%	79.2%	47.2%	99.9%	92.3%

CONFECTIONERY FACTORY	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Chocolate Bars[mt]	639.064	597.415	340.465	353.193	573.940	582.755
Pebbles[mt]	101.927	89.145	57.806	74.581	101.036	84.952
Instant Cocoa Powder[mt]	918.465	829.758	909.418	605.997	453.497	577.216
ALLTIME Drinking Chocolate [mt]	580.950	705.690	838.112	569.958	436.727	564.615
VITACO Drinking Chocolate[mt]	270.355	115.068	71.095	36.039	16.77	12.601

For both the Cocoa and Confectionery factories, output declined significantly from the 1997/98 to low levels in 1998/99, the years when prices for *cocoa beans* and *cocoa products* were at their lowest in decades. The Company took advantage of the weak market environment to retrofit key parts of the production environment in the factory and to start upgrading to *ISO 9000* quality standards. Volume has since then risen in 1999/2000 and 2000/01 to coincide with rising international prices for *cocoa* and *cocoa products*.

The next step is the planned expansion of the production capacity to 50,000 metric tons of cocoa beans annually. The ongoing expansion, currently in the funding stage, will see the new capacity coming on stream in the second quarter of 2003.

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2.6 CPC's Key Customers & Markets

Domestic Customers

The two largest domestic cocoa beverage producers, Nestle Ghana Ltd. which produces *Milo* and *Chocolim* food drink and *Chocomilo*, and Cadbury Ghana Ltd. which produces *Cadbury's Drinking Chocolate*, *Bournvita* and *Richoco*, as well as Fan Milk Ghana Ltd., producers of *Fanchoco*, all obtain their cocoa products inputs from CPC. Also the many *small producers of cocoa beverages and confectionery products* obtain their supplies of cocoa cake, cocoa powder, cocoa liquor, and other *products from CPC*.

International Customers

The major international customers for the 95% of CPC's products that are exported are spread across Europe, Asia, Africa and the Americas. *International manufacturers* of cocoa beverages and confectionery blend CPC's PORTEM products with products obtained from beans from other producing countries to achieve tastes that satisfy consumer preferences. This competitive advantage for CPC's PORTEM products – cocoa cake and powder, cocoa liquor and butter – result from the fact that they are made wholly from Ghana cocoa beans with its preferred superior flavour.

CPC also produces *chocolate couverture*, i.e. bulk chocolate in special recipe for Chocolate by Jamieson of United States of America for remelting, remoulding and repackaging for sale in the United States. CPC also produces Dark Chocolate with milk for Omanhene Cocoa Bean Company of the USA.

The market for its products is also large enough to easily absorb its entire production capacity. CPC has yet to tap the newer markets in *Asia and Eastern Europe*. In fact, even the potential in Ghana's domestic market and contiguous markets in the *West African sub-region* have not been adequately explored.

2.7 Achievements (During Life of Company)

International Awards

- The Company has won several International awards prominent among which are medals from the internationally recognized *Monde Selection Competition* of Brussels, Belgium *for the quality of its products*.
 - ⇒ *In 2002, all CPC's seven branded Chocolates and ALLTIME Instant Drinking Chocolate won gold medals.*
 - ⇒ *In 2001 and 1997 all the seven branded Chocolate and VITACO Drinking Chocolate presented won gold medals.*
 - ⇒ *Gold medals also won respectively, in 1980, 1982 and 1989.*
- The Editorial Office of the *Trade Leaders' Club* of Madrid, Spain has *for three times* selected CPC for its International Gold Award in:
 - ⇒ *20th Golden Award for Food and Beverages, October 14, 1997.*
 - ⇒ *10th Golden Europe Award for Quality, 1996.*
 - ⇒ *17th International Africa Award 1995, in the volume of export trade in processed cocoa and confectionery products.*
- Commitment to Quality Award for Global Quality Management 1997, Geneva (UK, Company).

Local Awards

- *Exporter of the Year 2001 Award* by the *Ghana Export Promotion Council*.
- *Exporter of the Year 2000 Award* by the *Ghana Export Promotion Council*.
- *1998 Exporter of the Year Award* by both the *Bank of Ghana* and *Ghana Export Promotion Council*.
- *2nd National Corporate Good Citizen Award* for 1998 to CPC – Awarded by the President of Ghana under the auspices of Ghana Trade Fair Authority.
- Ghana Export Promotion Council – *9th Export Achievement Gold Award 1997* for *Cocoa Liquor, Butter and Cake*.

Lead Manager & Sponsoring Broker: NTHC Limited

- Ghana Chartered Institute of Marketing awarded “The Product of the Year” (Beverage Division) for the VITACO Drinking Chocolate in 1995.
- In 1996, the Company was again selected as the *best branded marketable products* for its newly branded Seven Golden Tree Chocolate which were launched in August 1996.
- Ghana Club 100-CPC – November 23, 1998 by Ghana Investment Promotion Centre.
- Mr. P.K. Awua, Managing Director of CPC selected as the *Marketing Man of the Year 1997* by the Chartered Institute of Marketing, Ghana. In August 2002, he was also honored with the award of a doctorate by KNUST.

2.8 Consumer Satisfaction And Launching Of New Products

CPC is closely in touch with its buyers in assessing the quality of its products to ensure that the international specifications and standards are achieved.

- The Omanbene Cocoa Bean Company of the USA and the CPC have developed a special recipe for the USA market, which is brand named “Omanbene Dark Milk Chocolate”. This was launched at the 40th International Fancy Food and Confectionery Exhibition in New York, USA, on July 10, 1994. This product is now being sold in the USA market.
- In September 1995, VITACO Drinking Chocolate was launched with a new packaging material.
- In August 1996, all the seven different types of chocolate, which were all known by the generic name, were branded and each given a specific name with new labels as follows:

<u>Generic Name</u>	<u>Brand Name</u>
Milk chocolate	Kingsbite
Dark Chocolate	Teteh Quarshie Bar (TQ Bar)
Light Vanilla Chocolate	Portem Pride
Orange Flavoured milk chocolate	Oranco
Mocca Chocolate	Coffee Chocolate
Milk and Nut Chocolate	Portem Nut
Lemon Flavoured Milk Chocolate	Akuafu Bar

- In 1997, ALLTIME Drinking Chocolate was launched and was packed in both sachets and plastic containers.
- In January, 1998, bar coding and nutritional facts were introduced into the labeling of the Chocolates and the VITACO Drinking chocolate to satisfy the USA – FDA food export pre-requisites. This was necessary to enable the CPC chocolate products enter the USA market.
- New products, *Chocolate by Jamieson* was developed in 1999 and manufactured at CPC in collaboration with Mr. Jamieson of USA and the products are being sold in USA.

2.9 Major Financial Impact Of CPC’s Expansion

The planned expansion of CPC’s processing capacity from 25,000 metric tons of cocoa beans annually to at least 50,000 metric tons will have a significant impact on the Company’s value creation potential. Currently, CPC’s processing capacity is 18.5% of Ghana’s cocoa processing industry annual volume of 135,000 metric tons.

CPC’s expansion, together with similar expansion by other processors, will lift annual industry volume to 190,000 by the end of 2003 and CPC’s share increased to 26.0%. Efficiency will also be improved to yield throughput ranges of 95.0% to 98.0% by the third year after expansion.

Table below compares the production volumes for the years 2001/2002, to the first two years of operation of the expanded facilities of both the Cocoa Factory and Confectionery Factory.

Lead Manager & Sponsoring Broker: NTHC Limited

PRODUCTION ANALYSIS	2001/2002		2002/2003		2003/2004	
	VOL. (MT)	VALUE €'000	VOL. (MT)	VALUE €'000	VOL. (MT)	VALUE €'000
Cocoa Factory	20,000	200,922,645	40,000	421,178,778	40,000	442,228,089
Confectionery Factory	2,140	34,428,883	3,510	66,640,302	5,700	127,777,883
GRAND TOTAL ALL OUTPUT...	22,140	235,351,528	43,510	487,819,080	45,700	570,005,972
Throughput Yield	83.4%	--	97.0%	--	97.0%	--
Capacity Utilization	77.6%	--	75.0%	--	80.0%	--

In addition to the expansion of the cocoa beans processing capacity, the Company's processing capacity for confectionery will also be hugely expanded, by almost 300%. This major investment will therefore be expected to increase turnover from current levels to an estimated €570 billion by the second year after the expansion, an increase of more than 300% over the turnover for the year ending September 30, 2001. By the third year after expansion in fiscal 2004, turnover is projected to be €603 billion.

2.10 The Company's Financial Performance Trends

Overview: The Business Base & General Performance Trends

CPC processes raw cocoa beans into value added, semi-finished products, most of which are exported. Semi-finished products that are not immediately exported to international markets go into CPC's confectionery factory to be further processed into finished chocolate products.

Finished products consisting of chocolate confectionery make up close to 11% of turnover, about half of which is also exported to earn foreign exchange. Growth in the Company's business has been consistent over the years. Beginning fiscal 1992 when CPC became financially autonomous from Ghana Cocoa Board, its turnover has grown from €11.27 billion to almost €174 billion in 2001. This shows an average annual growth rate of 49.4% over the period.

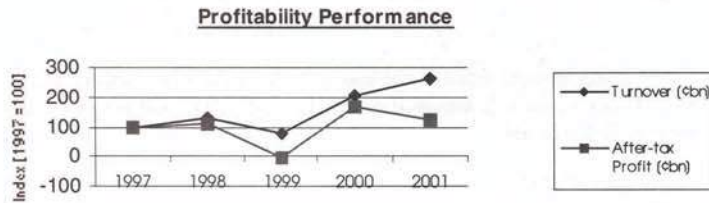
Performance Measure	1997	1998	1999	2000	2001
Turnover[€bn]:	65.67	85.35	50.59	134.22	173.61
After-tax Profit[€bn]:	13.71	15.20	(1.08)	22.83	16.40
After-tax Profit/Turnover (%) ...:	20.88%	17.81%	(2.15%)	17.01%	9.45%
Return On Equity (%)	52.8%	42.6%	(3.0%)	44.1%	26.5%
Earnings per share (€)	€13,709	€15,204	(€1,087)	€22,829	€16,402

Turnover Growth Trend

Revenue accrues mainly from sale of semi-finished or intermediate value added cocoa products. Leaving out the extraordinary events of 1999, CPC's turnover has shown a continuous upward trend.



The Company has been profitable, though annual profits have fluctuated on a generally positive trend. The exception to this healthy profit trend was in 1999: a loss was reported due to closure of the factory for four months for epoxy flooring to comply with ISO 9000 requirements. The ensuing cocoa trade accounting with supplier Ghana Cocoa Board resulted in CPC incurring a loss of about €5.8 billion on deterioration of raw cocoa beans warehoused for CPC's utilization.



Cost of Sales

Cost of sales has also generally averaged 80.94% of turnover over the past 5 years, going from a low of 76.9% in 1997 to about 85.5% in 2001.

Impact of Factory Expansion

The planned factory expansion will increase production capacity leading to significant revenue increase starting fiscal 2003. The expansion, from 25,000 metric tons annual processing to 50,000 metric tons, and to 65,000 metric tons, is expected to create 260 new jobs, which added to CPC's current 580 employees, will take labour strength to 840. Turnover will also increase almost by triple over current levels. Additionally, relative gains in efficiency and throughput yield can be expected to significantly enhance profitability.

2.11 Capital Structure & Balance Sheet Changes

Over the past 5 years, CPC has operated with no short term or *long term debt*, apart from payable balances (*including bank overdrafts*) accruing in the ordinary course of business. Its leverage, or gearing has therefore been zero, indicating an all equity capital structure.

Impact Of Debt Financing Of Factory Expansion

CPC's ongoing factory expansion to increase processing capacity to 50,000 metric tons and eventually to 65,000 metric tons annually will be financed mostly with long-term debt.

The estimated US\$24 million debt financing for the factory expansion will constitute a huge change in the balance sheet structure. Nonetheless, the debt burden can be easily serviced without any significant threat to the Company's financial stability. By the end of September, 2003, it is estimated that debt will constitute about 40.47% of CPC's projected total capitalization of €342.7 billion.

As noted elsewhere in this Prospectus, if the shareholder's share sale is oversubscribed, the Company will make an additional new share issue up to about 10% of current issued shares to raise new capital. If all such proceeds are applied to reduce debt, the debt ratio will then decline to about 15.36% of capitalization.

SECTION 3: Industry & Policy Review - The Cocoa Business

3.1 BACKGROUND

Since the introduction of cocoa (*Theobroma cacao*) into Ghanaian agriculture in the last quarter of the 19th century, it has been a leading export crop. Domestic *value added processing* of cocoa beans, however, did not start until 1947, when *Gill & Duffus* of United Kingdom established the first processing factory in Takoradi.

Economic Impact

The *cocoa sector* still *supports 9% of GDP, contributes 40% of export revenue, and provides 11% of overall national revenue*. The total land area under cocoa cultivation is estimated at *1.2 million hectares, 33% less than the 1.6 million hectares of the early 1980's*. Of the area currently under cocoa, *about 30% contribute very little to total production due to old age of trees and poor tree density*.

Export Processing

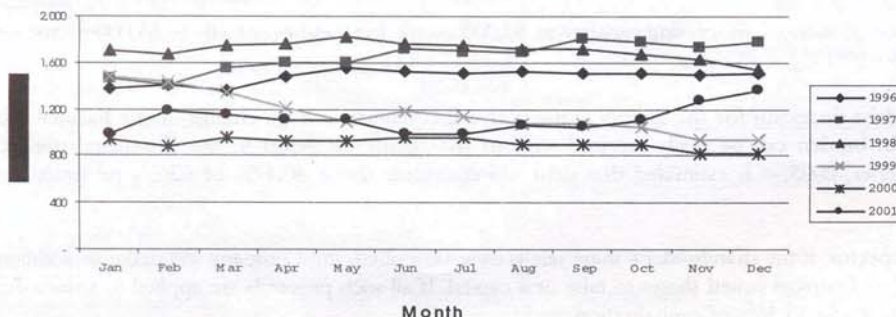
Cocoa is exported mostly as unprocessed beans. Processed beans (grindings) have averaged about 17.4% of total purchases between 1996/97 to 2000/01 with 1996/97's grindings of 21% as the highest. The advent of new processing capacity in 2001 increased total domestic processing capacity to 135,000 metric tons. Until then, the highest volume processed was 70,000 metric tons in 1999/2000.

Given the wide fluctuations in world market prices, the general potential to add more value to raw cocoa beans before exporting is the logical direction to maintain or increase export earnings. Government's indicated policy direction to encourage more local value added processing is therefore consistent with the dynamics of the industry.

Export Prices & Commodity Markets

The export price of cocoa is determined by trading trends on the international commodities futures markets. As a result, the factors that shape demand are *mostly outside the influence of producer nations, including Ghana*. There are periods of wide price swings which affect the fortunes of both the raw beans and intermediate products, as shown by the figure below charting *sample price movements in a year*.

Monthly Average of Daily Cocoa Prices - 1996 - 2001



Source: Bank Of Ghana Quarterly Bulletins

Key Attributes Of Ghana's Cocoa Beans Products

Ghana's cocoa growing industry relies on traditional practices, using very basic, and low technology content production techniques. But this very basic growing approach results in better flavour and premium prices. Cocoa production in Ghana has also always been through small-scale, low technology operations. Attempts made in the 1970's to develop large-scale cocoa plantations were not successful due to problems in land acquisition.

However, this very small scale nature of Ghana's cocoa farming operations with intensive involvement of farmers in the harvesting, low-technology fermentation, and sun-drying, also results in the *superior and preferred flavour* of Ghana's cocoa beans. The preferred flavour and higher fat content consequently earns a *price premium* for Ghana cocoa on the world market.

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Confectionery manufacturers in fact prefer to blend Ghana's cocoa with those from other sources to improve the quality and flavour of their output.

3.2 Domestic Processing Of Cocoa In Ghana

3.2.1 Brief History Of Cocoa Processing In Ghana : 1947 - 2001

Gill and Duffus of United Kingdom started cocoa processing in Ghana in 1947 with *West African Mills* (WAM) at Takoradi. In 1964, the Government of Ghana set up a cocoa processing factory (TAKSI) at Takoradi, while the Drevici Group of Companies also set up PORTEM at Tema in 1965. TAKSI AND PORTEM were brought under the control of COCOBOD in 1969 and 1972 respectively.

In 1973, Cocoa Processing Company Limited was established as a subsidiary of the COCOBOD to co-ordinate and control the operations of the two factories then known as CPC (PORTEM) for the Tema factory and CPC (TAKSI) for the Takoradi factory. In 1982, Ghana Cocoa Board took over the West African Mills and consolidated it into Cocoa Processing Company Limited.

By the mid 1980's, due to obsolete technology, potential production levels could not be achieved. To overcome this problem, COCOBOD entered into a joint venture to raise the needed funds to update plant technology. West African Mills Company (WAMCO) Limited was thus incorporated in 1993 as a joint-venture between COCOBOD and Schroeder of the HOSTA group of companies, Germany, to operate the two processing plants in Takoradi.

On November 1, 2001, *Barry Callebaut* commissioned a 30,000 ton processing plant in the Tema Free Zone Enclave to process cocoa beans into cocoa liquor and cocoa powder. The factory intends to eventually expand its processing to 60,000 tons liquor making capacity.

ANNUAL COCOA PROCESSING INDUSTRY CAPACITY IN GHANA (METRIC TONS)

PROCESING COMPANY	Current Capacity(1)	Pipeline Capacity(2)	Total Expected Capacity (3)=(1)+(2)
1. WAMCO Limited	80,000	---	80,000
2. Cocoa Processing Co. Ltd.	25,000	25,000	50,000
3. Barry Callebaut Gh. Ltd.	30,000	30,000	60,000
TOTAL	135,000	55,000	190,000

3.2.2 Government Policy On Domestic Processing Of Cocoa

Government's current policy on domestic processing of cocoa includes the following key issues:

- i. To process about 40% of cocoa domestically by 2004 as indicated by the Minister of Finance in the 2002 budget.
- ii. Eventual abolition of price discounts on cocoa supplied to domestic processing firms.
- iii. Allowing processors to buy cocoa at f.o.b. prices, import low grade and cheaper cocoa only for purposes of processing.
- iv. Encourage local processing through non-price incentives.
- v. Section 3.4, under export operations in the Regulations and Guidelines for External Marketing of Cocoa, provides that where a licensed exporter sells or processes cocoa beans through a local processor, the company shall be subjected to export tax on the raw beans.

3.2.3 Domestic Demand And Supply Of Beans For The Factories

Current installed capacity in the country is about 135,000 metric tons of raw beans per annum. The Processing Companies rely entirely on bean supply from Ghana Cocoa Board's subsidiary CMC.

Before 2001, two processing companies had been utilizing between 16% and 21% of the total bean production in Ghana. Included in this volume is a large proportion of light crop beans (54% annually) and the entire amount of other categories of much lower value beans. CPC, however, uses only grade I and II beans.

Between 1996/97 and 2000/01, production of *light crop beans*, which is earmarked for local processing, has averaged about 42,000 metric tons. This implies that over the period, up to about 28,000 metric tons of *main crop beans* have supplemented the *light crop* for local grinding. This may explain the background to the policy initiative to allow processors to import lower quality beans to supplement the local light crop.

3.2.4 Receipts From Exports Of Cocoa Beans And Products

Receipts from Cocoa beans declined from US\$323.82 million in 1990 to the lowest level of US\$295.0 million in 1994 but picked up again in 1995 to reach the peak of US\$541.59 million in 1998. It however dropped again by 28.8% to US\$379.95 million in 2000. The general fall in prices from US\$1,309 per ton in 1990 to as low as US\$962 per ton in 1993 as well as the marginal decline in the volume of cocoa beans exported during the early nineties accounted for the declining trend in total receipts realized.

Receipts From Exports Of Cocoa Beans And Products : 1995 - 2000

ITEM	YEAR					
	1995	1996	1997	1998	1999	2000
Cocoa beans (\$M)	361.10	442.08	384.79	541.59	479.33	379.95
Volume (metric tons)	237,262	325,442	261,251	329,327	346,768	348.95
Unit Price (\$/ton)	1,522	1,358.40	1,472.90	1,654.60	1,434.20	1,091.70
Cocoa Products (\$M)	28.40	66.53	85.24	78.82	54.97	56.85
Volume (Metric tons)	13,864	41,350	53,265	48,380	39,858	40,539
Unit Price (\$/ton)	2,050	1,608.90	1,600	1,629.20	1,379.10	1,402.40
TOTAL (US\$M)	389.50	508.61	470.03	620.41	534.30	436.80

Source: Bank of Ghana Annual Reports

3.3 Review Of The International Cocoa Industry

The following tables summarize output trends from key producers in world cocoa trade from 1996/97 to 2000/01:

World Cocoa Production 1996/97 – 2000/01 (000 tons)

Country	1996/97	1997/98	1998/99	1999/2000	2000/01
Cote d'Ivoire	1,108.0	1,113.0	1,163.0	1,409.0	1,170.0
Indonesia	325.0	331.0	390.0	410.0	400.0
Ghana	322.5	409.4	397.4	436.9	390.0
Nigeria	160.0	165.0	198.0	165.0	185.0
Brazil	185.0	170.0	137.5	123.5	152.0
Cameroon	125.6	114.7	124.0	115.0	120.0
Malaysia	100.0	65.0	75.0	45.0	35.0
Dominican Republic	52.4	69.7	25.9	37.1	40.0
Colombia	38.3	38.2	37.6	37.5	38.0
Ecuador	103.0	30.0	75.0	95.0	85.0
World Total	2,711.9	2,690.4	2,808.3	3,073.3	2,812.4

Source: ICCO Quarterly Bulletin of Cocoa Statistics Vol. XXVII No. 4: Cocoa Year 2000/01.

Trends In International Supply Sourcing

Global cocoa production is estimated at 2,812,000 tons (2000/01). *Cote d'Ivoire*, with 1.17 million tons, is the world's largest producer with a market share of 41.6%. Ghana comes third with its 2000/01 production figure of 390,000 tons and a market share of 13.9%.

3.3.1 International Demand Trends

With regards to the demand for cocoa beans, represented by global grinding figures, it is estimated that 3,013,600 tons of cocoa were processed worldwide in 2000/01. The Netherlands leads in cocoa processing with an estimated figure of 450,000 tons, followed by the United States with 438,000 tons and Germany with 226,600 tons.

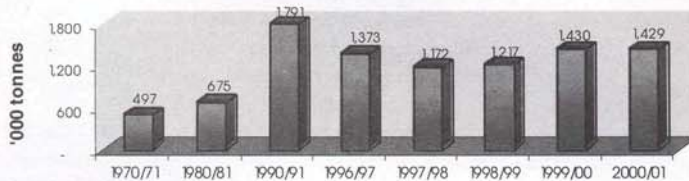
Lead Manager & Sponsoring Broker: NTHC Limited

World Cocoa Grindings: 1996/97 – 2000/01 (000 tons)

Country	1996/97	1997/98	1998/99	1999/2000	2000/01
Netherlands	401.6	424.7	414.8	435.9	450.0
United States	394.0	399.1	405.8	438.6	438.0
Germany	240.3	226.2	196.9	214.9	226.6
Cote d'Ivoire	149.5	193.4	225.0	235.0	265.0
Brazil	180	187.8	192.4	201.6	193.5
United Kingdom	172.1	173.7	166.6	168.0	162.0
France	105.6	103.1	123.5	142.1	145.0
Malaysia	95.0	100.0	105.0	115.0	115.0
Russia Federation	72.0	46.1	46.9	59.6	70.0
Ghana	67.5	67.0	65.0	70.0	70.0
World	2716.6	2763.7	2762.1	2967.4	3013.6

Source: ICCO Quarterly Bulletin of Cocoa Statistics Vol. XXVII No. 4: Cocoa Year 2000/01.

However, demand in the world cocoa market functions within the context of continuing stocks held by key market participants. Like most commodities, therefore, the ending stocks exert a significant influence on the supply and demand nexus that determines a clearing market price for new supply.

World Cocoa Trade : Ending Stocks

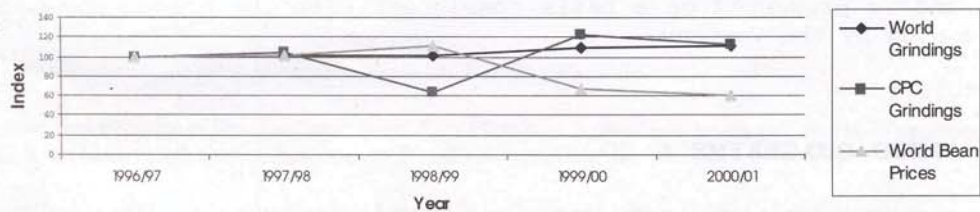
Source : ICCO

3.4 CPC's Participation In The Cocoa Industry

Clearly, CPC's output of intermediate (value added) cocoa products and confectionery is too small to impact significantly on the market volume or prices. Compared to the giants in the confectionery business, CPC's operations are miniscule. The Company thus retains a significant advantage *so long as industry price trends are positive* because it can produce and sell its total volume without significantly affecting potential value creation in the industry. CPC's total capacity, over the years 1996 through 2001, has been between 0.83% and 0.92% of the total world grindings of cocoa beans. Indeed, the total volume of beans processed in Ghana constituted only 2.32% of total world grindings in 2001.

The chart below compares the trend in CPC's grinding over the past several years to the world industry trend in grinding of cocoa beans in relation to world cocoa price movements.

Index of World Cocoa Prices & CPC Grindings As Percentage of Total World Grindings
1996/97 = 100



Lead Manager & Sponsoring Broker: NTHC Limited

SECTION 4: The Financial Prospects : 2002, 2003-2004



James Quagraine & Co.

James Quagraine & Co.
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Heavy Industrial Area, Tema

The Directors
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No. D542/4 Okai Mensah Link, Adabraka,
P.O. Box 9563, Airport, Accra.

July 22, 2002

Dear Sirs/Mesdames:

FINANCIAL FORECASTS

We have reviewed the accounting policies and calculations for the financial forecast of Cocoa Processing Company Limited for the period April 01, 2002 to September 30, 2004 as set out in Section 4 of this prospectus. We conducted our work in accordance with *Auditing Guidelines* in "Investment Circular Reporting Standards" as well as "Examination of Prospective Financial Information". We believe reasonable evidence and assurance have been obtained as basis for our conclusion and opinion.

The financial forecasts for which the directors are solely responsible include the results shown by the audited accounts for the six months period to March 31, 2002.

In our opinion the foregoing financial forecasts, so far as the accounting policies and calculations are concerned, have been properly compiled using the assumptions made by the directors of the company as set out in Section 4 of the prospectus, and is presented on a basis consistent with the accounting policies currently adopted by the Company.

Yours faithfully:

Signed: JAMES QUAGRAINE & CO.

CHARTERED ACCOUNTANTS

Lead Manager & Sponsoring Broker: NTHC Limited

4.1 Performance Prospects For The Period
April, 2002 – September, 2004: Balance Sheets

	ACTUAL	ESTIMATED	PROJECTIONS	
	Mar. 2002	Sep. 2002	Sep. 2003	Sep. 2004
	€ million	€ million	€ million	€ million
ASSETS				
Bank and Cash Balances	7,626.975	9,933.733	10,007.499	18,391.843
Accounts Receivable.....	26,377.844	34,667.793	64,140.216	73,159.488
Prepayments and Deposits	63,095.070	0.000	0.000	0.000
Inventory Stocks	99,202.182	46,936.382	97,439.978	113,943.257
Sub-total Assets	196,302.071	91,537.908	171,587.693	205,494.588
INVESTMENTS				
Short Term Investments	23,909.948	11,660.235	3,349.732	34,781.373
Fixed Assets/Projects-in-Progress	28,518.936	193,568.767	309,356.790	325,704.140
TOTAL ASSETS.....	248,730.955	296,766.910	484,294.215	565,980.101
CLAIMS ON ASSETS				
Accounts Payable ¹	169,968.592	77,973.442	114,629.166	85,974.879
Accrued Charges	117.728	53.778	56.524	59.364
Current Portion-Long Term Loan	0.000	0.000	7,078.991	20,843.698
Taxation	3,444.438	304.961	4,459.672	7,677.420
Proposed Dividend.....	11,750.247	925.048	15,385.870	26,487.098
Sub-total Claims	185,281.005	79,257.229	141,610.223	141,042.459
Long Term Loan	0.000	49,552.940	138,826.889	159,277.312
SHAREHOLDERS FUNDS				
Stated Capital	10,000.000	24,167.256	24,167.256	24,167.256
Income Surplus	53,242.922	53,789.485	89,689.847	151,493.074
Capital Surplus ²	207.028	90,000.000	90,000.000	90,000.000
Sub-total Equity.....	63,449.950	167,956.741	203,857.103	265,660.330
TOTAL EQUITY & CLAIMS..:	248,730.955	296,766.910	484,294.215	565,980.101

¹ The Company's subsidiary-parent raw cocoa beans trade accounting with Ghana Cocoa Board showed over 1-year's arrears as at March 31, 2002. This accounts payable position is expected to regularize through reduction respectively to 50% of purchases by end of fiscal 2002, 35% of purchases by end of fiscal 2003, and 25% by end of fiscal 2004.

² In January, 2002, a revaluation of the Company's Assets yielded a capital surplus of €103,960,228,000, of which €13,960,228,000 has been transferred to stated capital for purposes of the privatization.

4.2 Performance Prospects For The Period
April, 2002 – September, 2004: Operating Statements

	ACTUAL		ESTIMATED		PROJECTIONS	
	Mar. 2002	Sep. 2002	Sep. 2003	Sep. 2004	Sep. 2003	Sep. 2004
	€ million	€ million	€ million	€ million	€ million	€ million
MANUFACTURING COST ANALYSIS						
Direct Production Costs- Beans	91,078.903	174,403.232	327,673.400	344,136.972		
Direct Production Costs-Others	7,432.771	16,352.096	51,107.472	72,277.805		
	98,511.674	190,755.328	378,780.872	416,414.777		
Production Staff Costs	4,914.527	11,948.267	13,143.093	14,457.402		
	103,426.201	202,703.595	391,923.965	430,872.179		
Indirect Production Expenses	6,757.660	8,138.534	8,952.387	9,847.626		
Cost of Goods Sold³	110,183.861	210,842.129	400,876.352	440,719.805		
INCOME ANALYSIS:						
Turnover	116,185.553	234,681.909	487,199.890	569,716.283		
Cost of Goods Sold	(110,183.861)	(210,842.129)	(400,876.352)	(440,719.805)		
Gross Profit	6,001.692	23,839.780	86,323.538	128,996.478		
Investment and Other Income	3,033.384	4,693.638	9,743.998	11,394.326		
	9,035.076	28,533.418	96,067.536	140,390.804		
EXPENDITURE ANALYSIS:						
Selling & Administrative Expenses ..	2,048.897	4,877.589	8,258.186	8,919.434		
General Operating Expenses ⁴	5,384.485	18,594.963	22,327.687	24,115.508		
Finance Cost ⁵	0.000	1,672.412	9,735.759	11,388.117		
Operating Expenses	(7,433.382)	(25,144.964)	(40,321.632)	(44,423.059)		
Profit/(Loss) before Tax	1,601.694	3,388.454	55,745.904	95,967.745		
Provision for Taxation	(0.000)	(304.961)	(4,459.672)	(7,677.420)		
Profit/(Loss) After-tax Transferred to Income Surplus⁶	1,601.694	3,083.493	51,286.232	88,290.325		
INCOME SURPLUS ACCOUNT						
Beginning Balance	51,631.040	51,631.040	53,789.485	89,689.847		
Profit/(Loss) After-tax	1,601.694	3,083.493	51,286.232	88,290.325		
Prior Year Adjustment	10.188	0.000	0.000	0.000		
Proposed Dividend	(0.000)	(925.048)	(15,385.870)	(26,487.098)		
Ending Balance	53,242.922	53,789.485	89,689.847	151,493.074		

³ Cost of Goods Sold analysis includes depreciation of factory equipment, machinery, and premises, which is normally expensed as part of manufacturing costs.

⁴ Includes part of depreciation, relatively small, charged for office furniture, equipment, and buildings.

⁵ Finance cost beginning the year ended September 30, 2002 includes current year interest charges on debt related to the factory expansion.

⁶ Fiscal 2001 (ending September 30, 2002) profits reflect higher costs of sales (from higher cost of raw cocoa beans and depreciation from revalued assets) while related price increase from processed cocoa products has not been slower to reflect in revenue, and cocoa butter prices in particular dipped lower over the period to March 31, 2002.

4.3 Performance Prospects For The Period April, 2002 – September, 2004: Key Assumptions

4.3.1 *Ghana Cocoa Industry Conditions & Revenue Basis*

- a. National policy to facilitate the increased local value-added processing of cocoa beans of at least 40% of national output will ensure that CPC's access to raw cocoa beans will be unimpeded, barring occasional hiccups in logistics underlying supply arrangements.
- b. CPC's planned expansion will proceed, with at worst, no more than a 12-month delay such that production volume will impact the revenue expectations in the medium term.
- c. CPC will continue to purchase raw cocoa beans from local market sources at F.O.B. Tema prices. The possibility exists, however, that developments in the direction of national cocoa sector policy may remove some of the costs of the local raw cocoa beans. There is also the opportunity for CPC to import lower cost cocoa beans to blend with local superior but higher cost beans as is done internationally, although the Company has no immediate plans to implement such a cost reduction scheme.
- d. Trends in annual raw cocoa output provide the raw material base for CPC's production expectations. It is estimated that Ghana's annual production of raw cocoa beans will increase from estimated 395,000 tons in 2000/01 season to 500,000 tons by 2004/05.
- e. A subsidiary of *Ghana Cocoa Board, Cocoa Marketing Company Limited (CMC)*, currently markets a significant proportion of CPC's international sales of semi-finished products (i.e. *cocoa liquor and butter*), for a commission. CPC has no immediate plans to change this marketing arrangement, and will continue to rely on CMC's market expertise in the medium term.

4.3.2 *Business Development Potential For Cocoa Processing Company Limited*

- a. CPC's processing capacity of 25,000 currently gives it 18.5% of Ghana's local processing capacity of 135,000 metric tons annually. Upon completion of planned expansion in the course of 2003, CPC's capacity will increase to over 50,000 metric tons, roughly 26.0% of projected increased local processing capacity⁷ of 190,000 metric tons.
- b. CPC will not initiate, or undertake any vertical integration, particularly to exploit linkages to cocoa buying companies which could significantly reduce raw material input cost. The possibility exists, though, for importing lower cost cocoa beans to blend with Ghana's superior quality but higher cost beans as is done internationally as has been noted earlier.
- c. CPC will not initiate, or undertake any horizontal integration except for expansion in infrastructure and logistics support necessary to fully implement the planned expansion to double current processing capacity.
- d. The Company's expansion to double processing capacity will create 260 new jobs and therefore require *employment of additional 260 new staff* by the end of 2003. Accordingly, staff strength will grow from current 580 to about 840 by the end of 2003.
- e. The only significant new cost related to the planned expansion will be the actual cost of equipment and machinery for the Cocoa and Confectionery factories, and the financing costs. The Company plans to fund the equipment and machinery acquisition mostly with debt. CPC is currently evaluating several financing proposals presented by both local and international financial institutions to identify the best options for adoption.
- f. Efficiency gains from privatization will not exceed 5% in the medium term translated into relative reduction in costs of operations and marketing arrangements.

⁷ Barry Callebaut, the local processing arm of the Swiss processing giant is also increasing its current capacity.

4.3.3 World Market Conditions For Cocoa & Cocoa Products

The world market price of cocoa beans is currently trending upwards toward the US\$2,000 per ton level. This provides good cause to expect the medium term outlook to be positive for the prices of CPC's output, 95% of which is exported into international markets. However, the possibility still exists, that the price trend may reverse as the depressed levels of 1999-2000 showed.

4.3.4 Macro-economic Conditions And Financial Returns

a. The following macroeconomic indications are expected over the forecast period:

Macroeconomic Indication	Current Trend ⁸	Medium Term	Worst Trend Level
Inflation	13.7%	6.0%	15.0%
Cedi/US\$ Depreciation	7.0%	5.0%	15.0%
International Inflation ⁹	2.0%	2.0%	6.0%

b. 1-year Treasury Bill rates currently about 27% is expected to decline to 13%-15%, in the medium term by year end 2004, as inflation rates continue to trend downwards.

4.3.5 Impact Of Financing Structure Of Planned Expansion

- CPC has to date operated debt-free, even though it has access to substantial financing opportunities from all the key financial institutions. Accordingly, it is expected that as a consequence of improving stability in the macroeconomic environment, the Company's financing costs for the planned expansion projects will not exceed what has been quoted through competitive term sheets provided by key financial institutions.
- Further, in the event that the Government's offer is oversubscribed, and the Company issues additional new shares up to 10% of current issued shares, the proceeds from the new share issue may go mainly to reduce debt arising from the expansion project.

4.3.6 Growth Rates & Revenue Inflows

Based on the planned expansion of factory processing capacity, the expected medium term outlook for growth in CPC's business and revenues through 2004 are as follows:

Revenue Indication	Sept.2002	Sept. 2003	Sept. 2004
National Cocoa Output	400,000 tons	445,000 tons	490,000 tons
CPC Processing Capacity	25,000 tons	50,000 tons	50,000 tons
Confectionery Processing	1,900 tons	6,300 tons	6,300 tons
CPC Estimated Growth Rate ¹⁰	5%	107%	115%

4.3.7 Revenue Impact Of Key Changes In Operating Capacity

Cocoa processing capacity will increase from 25,000 metric tons to at least 50,000¹¹ metric tons. On the basis of the expanded level of operations, value added operations will improve throughput yield from current 83% to 95% to 98% by 2004.

⁸ As at June ending, 2002. Inflation is trending downwards, and the expectation is that short term uncertainties in cedi depreciation trends will stabilize in the near term to restore the confidence necessary to realize medium term rates expectations. Worst trend level indicates the downside possibilities in the medium term.

⁹ Reference base is OECD basket of "Euro" countries.

¹⁰ Prospective income growth in relation to fiscal 2001 income.

¹¹ Management's plan is to accomplish a two phase program to move capacity to 65,000 metric tons of cocoa beans in the ongoing project. However, analysis has focused on the first phase 50,000 metric tons capacity expansion.

4.3.8 Audited Operating Results, Estimates And Forecasts

- a. The analysis presented in above tables in Sections 7.1 and 7.2 reflect the actual audited results from the Company's operations for the 6-month period ending *March 31, 2002*, and management estimates for the full year ending *September 30, 2002*.
- b. The estimated results for the year ending *September 30, 2002* also show the changes in key balance sheet items pursuant to the privatization objectives of the sole shareholder. Deferred debts, capital grants, and capital surplus totalling ₺207,028,000 were converted to equity, and a capital surplus of ₺13,960,228,000 of the ₺103,960,228,000 capital surplus resulting from *January, 2002* revaluation of assets was transferred to stated capital. In addition, ₺51.0 million (at cost) of obsolete technical spare parts and other damaged stock items have been written off.
- c. Interest costs for the period also include estimated charges on financing being arranged to fund the Company's ongoing factory expansion.
- d. The forecasts for the period 2003, and 2004, reflect the budgeted estimates of the Company's operations as approved by the Board. These estimates have been adjusted by privatization advisors in relevant areas to reflect considerations on the prospects of the privatized Company's operations. The objective has been, in so far as possible, to present a conservative view of the Company's prospects even in the expectations relating to the expansion of production to more than double the current operating volumes.

4.3.9 Depreciation, Corporate Taxes, Dividends

Depreciation will continue to be charged on the Company's assets on the same basis as current accounting policies. Depreciation includes amounts resulting from the capitalization of revaluation surplus.

On account of CPC's status as a non traditional exporter, corporate income taxes¹² are assumed at the rate of 8% of profits for exports and 32.5% for local sales. Moreover, after listing, CPC's tax rate on locally generated profits will drop to 30.0%

Dividend payout is assumed to be a minimum of 30% of profit after tax beginning from year-end 2003, to continue the Company's historic positive trend of dividend payments.

¹² Applicable rates are: 8% of profits for 95% of output exported, and 32.5% of profits for the 5% output sold locally. In 2002 and 2003, there is also a one-time Reconstruction Levy of 2.5% of profits before corporate tax. The corporate income tax rate for listed companies is 30.0%, as compared to 32.5% for non-listed companies.

SECTION 5: Risk Factors In The Investment Decision

An investment in the securities of a Company entails certain investment risks. In considering a purchase of CPC ordinary shares being offered, prospective investors should consider carefully, the following potential risks of an investment in the Company, including any relevant information contained in this prospectus.

Production Risk

CPC buys cocoa beans domestically as raw material for its processing factories. The production cycle includes considerable periods of storage of the beans in holding warehouses to assure continuous supply. This entails significant risk of deterioration. To a lesser extent, dry milk and sugar used in confectionery production also entail some risk of deterioration. However, the Company has substantial expertise in the business to enable adequate management of these risks.

Price Risk

The price for cocoa and intermediate cocoa products on the international commodities market are quite volatile and are influenced by factors most of which are outside the control of the Company. Demand for cocoa products and their derivatives are also sensitive to changes in consumer tastes, consumer acceptance of synthetic and other substitutes, and new scientific discoveries which relate to cocoa products or cocoa substitutes. All these affect the price of CPC's products either positively or negatively.

Foreign Exchange Risk

This is the exposure to fluctuations in the value of the major currencies, the *British Sterling*, *Euro*, and the *United States Dollar*, in which the prices of cocoa and intermediate cocoa products are set on the world market, and also fluctuations in the value of the local currency, the cedi, against these major currencies. These affect the value of the amounts realized from sale of CPC's products and the value of imported inputs, principally sugar and powdered milk, required for segments of the Company's operation.

Competition

CPC's products compete in international markets for intermediate cocoa products. It also sells about 5% of its output - *chocolate and confectionery products* - in the domestic market. Local subsidiaries of *multinational confectionery and processing companies* (i.e. *Nestle, Cadbury*) are direct customers for some of CPC's intermediate cocoa products; and they are also CPC's competitors in the domestic market for confectionery products. Therefore, CPC, like all businesses constantly faces challenges in all aspects of its business. Government has also indicated its support for more local value added processing of cocoa up to over 40% of national output. CPC is currently the only local cocoa processor without direct linkage to the international processing giants in the business. It is instructive that the admission of *private sector companies into the internal marketing of cocoa affected the competitive structure of that market* and the relative market shares of participants. Comparably, the entry of international companies into the domestic market to process cocoa beans could conceivably shrink CPC's access to these companies. However, a key mitigating factor is that *CPC's intermediate cocoa products, from Ghana's unique cocoa, are used principally in blending with other types of cocoa in confectionery production*. CPC also has *several possibilities to establish alliances with, and linkages to, international partners to ameliorate its business fundamentals*.

Governance and Management

CPC has been managed as a state-owned enterprise [SOE] with strong non-business administrative oversight over its commercial operations. There may therefore be initial uncertainties in governance and management approach as the Company moves from the status of an SOE to a public company subject to the *discipline of the investment marketplace*. To strengthen the Company's governance, ensure effective management and sound leadership in the interest of all shareholders, post-flotation governance and management arrangements will include restructuring the Board of Directors to bring in strong representation from public investors.

Market Stability

Sale of substantial amount of the Company's ordinary shares in the market immediately following the share offer could adversely affect the prevailing market price. To mitigate the impact of this market phenomena, the principal shareholder of CPC, the Government of Ghana, has agreed to a standstill/lock-in of its holdings for a period of 360 days following the listing of the shares on the Ghana Stock Exchange.

Lead Manager & Sponsoring Broker: NTHC Limited

SECTION 6: Description Of The Offer

The Share Offer

This CPC share offer for public subscription is an open cash offer.

The offer will be made to all interested investors, institutions and individuals, resident in Ghana and, residents, institutions and individuals in a limited number of other countries whose laws allow them to invest under the conditions of the offer. The Managers of the share offer expect to underwrite 10,768,450 shares which will amount to an aggregate 5.0% of the total equity shares on offer, or 1.25% of the CPC equity shares. 215,368,750 ordinary shares of no par value representing, approximately, twenty-five percent (25%) of the issued shareholding of the company, are being offered for subscription under the offer. The Ghana Government expects to raise an amount of €215,368,750,000 from the proceeds of this offer including cash and deferred payments. The sole shareholder, Government of Ghana, will apply the proceeds generally to any appropriate purposes for which national revenue is raised.

The Application

Each application must be for a minimum of 100 shares, and in multiples of 50 shares thereafter. The latest time for receipt of application forms is Friday, October 25, 2002¹³. If your application is successful, in whole, or in part, a share certificate in respect of the shares for which your application has been accepted will be sent to you. If there is excess demand under the share offer, you may receive fewer shares than you might have expected to receive on the basis of the maximum amount you had expressed a willingness to invest in the share offer.

If your application is not accepted, or is accepted in part, or if the amount of the application divided by the offered price does not equal a whole number of shares, a refund for the appropriate amount, without interest, will be returned to you by November 15, 2002¹⁴, or three (3) weeks after the offer closes (excluding holidays). The right is reserved to present for payment all cheques, bankers drafts, and money postal orders on receipt. It is a condition of the offer that all cheques, or other remittances must be honoured on first presentation. No interest will be paid to applicants on any moneys held on behalf of applicants, or on behalf of the Government.

Minimum Aggregate Take-up From All Subscriptions

The Government of Ghana, sole shareholder, has set no number of shares as the minimum aggregate to be taken up in total from all the subscriptions from this offer. Except in the case of non-accepted applications, or excess demand, or oversubscription as indicated below, all applications for the shares in this CPC share offer will be accepted. In the event that the Exchange's requirement for a 25% public float is not achieved, NTHC, on behalf of CPC, would request a waiver of that listing requirement. The Exchange has indicated its intention to favourably consider such a request.

Over Subscription: Allotment & Issue Of Additional Shares :

In the case of an over subscribed share offer, the Company will issue and allot new ordinary shares up to 86,147,500 shares or 10% of the issued shares, to meet the demand for the offering at the offer price of €1,000 per share. The over-subscription will enable CPC to issue new equity shares up to 10% of *current issued shares* to raise additional working capital.

Registration :

The Register of the members of the Company will be maintained by NTHC Limited, Martco House, No. D542/4, Okai Mensah Link, Adabraka, P. O. Box KIA 9563, Airport, Accra, Ghana. Shares allotted pursuant to the offer will be registered in the Register along with the shares already issued.

Dealings :

It is expected that dealings in the offer shares will commence on an unconditional basis on the Ghana Stock Exchange and can only take place through a licensed dealing member of the Exchange. The shares will be traded on the Ghana Stock Exchange in cedis and dealings are expected to take place in lots of 100 shares among the licensed dealers. Under the law as it currently stands, short selling (i.e. where the seller does not own the relevant shares nor have the unconditional right to sell them at the time of sale) on, or through the Ghana Stock Exchange is a criminal offence.

¹³ The Managers in consultation with the Government of Ghana, CPC, and the Ghana Stock Exchange, may extend the offer period.

¹⁴ If the offer period closing date is extended, this date will also be extended accordingly.

Listing

Application has been made to the Ghana Stock Exchange for all of the 861,475,000 ordinary shares outstanding and any additional new shares issued as described herein to be admitted to the First Official List. The Ghana Stock Exchange has given approval for the listing of the said shares.

Dividend Withholding Tax:

Under current Ghanaian legislation, tax is withheld from dividend payments by the Company at the rate of 10 per cent. No further Ghanaian tax is payable on dividends received.

Capital Gains

Exemption on capital gains tax on disposal of securities was first granted on November 12, 1990, the date of commencement of operations of the GSE, for a period of five years. By the Capital Gains (Amendment) Act, 1996, (Act 513) the period of exemption from the payment of capital gains tax on securities listed on the exchange was extended for another five (5) years commencing 11th November, 1995 and ending 11th November, 2000. Subsequently, the exemption has been extended for a further five (5) years ending November, 2005.

Gift Tax & Stamp Duty

Liability to gift tax may arise by gift of shares in the Company if the open market value of the shares at the time of the gift exceeds ₵50,000.00 (subject to certain exemptions). The tax is payable by the donee of the gift. The applicable statutory rate varies from five (5) percent to fifteen (15) percent depending on the value of the gift. The Stamp Duty (Amendment) Act, 1996, (Act 510) has granted foreigners as well as Ghanaians general exemption from all stamp duties in respect of transfers of shares in companies listed on the Ghana Stock Exchange.

Restrictions on foreign share ownership of listed securities

Non-Resident foreign portfolio shareholders are restricted to a maximum of 10% shareholdings in any one listed security, for a single investor. Total non-resident foreign shareholding cannot exceed seventy-four (74) percent for any one listed security. Ghanaians resident abroad and foreigners resident in Ghana are not subject to these restrictions. There is no restriction on the repatriation of capital, dividends, and interest payments on any listed securities.

Shareholding in CPC, as indicated in *Government of Ghana Assurances*, has been granted dispensation from these restrictions to facilitate the Company's access to international financing and expand the financing possibilities in its processing business. There is clearly a strong national interest in CPC's enhanced potential to expand its value added processing capability, as well as its structural links to the international market in cocoa and value added intermediate cocoa products. CPC may also require support, alliances, and direct linkages to participants in international intermediate cocoa markets. These linkages will necessitate unrestricted holdings in its shares to enable the Company to strengthen its operations and support its role in safeguarding the national interest in the cocoa industry.

Exchange Control Act

Exchange control is currently governed by the Exchange Control Act (ECA) which imposes restrictive measures on the dealings in and transfers of foreign currency. The effect of the law is however subject to amendment by the Central Bank. With regard to external residents, general dispensation has been granted by the Bank of Ghana Notice No. BG/EC/93/1 dated June 22nd, 1993, which removes all restrictions in parts IV and V of the ECA with respect to securities listed on the GSE. It grants permission for external residents to deal in securities listed on the Exchange without prior Exchange Control approval, and assures full and free foreign exchange remittability of original capital or principal amounts, any gains, dividends or interest payments, and related earnings and refunds in respect of investments made by external residents in such securities.

<i>Offer Time Table</i>	<i>DATE¹⁵ and Time</i>
• Commencement of Offer	September 12, 2002, 9.00am GMT
• Offer Ends (about 6 Weeks)	October 25, 2002, 3.00pm GMT
• Allotment Period Begins	October 28, 2002, 9.00am GMT
• Allotment Period Ends, Issue of share certificates commence	November 15, 2002, 3.00pm GMT
• Despatch of Share Certificates	December 06, 2002
• Listing and Trading on the Stock Exchange Begins	December 13, 2002

¹⁵ These dates are subject to change by the Managers of the offer in consultation with Government of Ghana, CPC, and the Ghana Stock Exchange.

SECTION 7: Terms And Conditions Of The Offer**7.1 Introduction**

- a. For purposes of the share offer, a “Qualifying Offer Applicant” means any natural person, corporation, partnership or other unincorporated association resident or incorporated in Ghana, an ECOWAS Territory or other Qualifying Territories.
- b. “Qualifying Territory” means any country whose laws permit the acquisition of shares under the CPC share offer.
- c. “ECOWAS Territory” means any country which is a member of ECOWAS.
- d. “Receiving Agents” means any bank or stockbroker appointed by the Managers of the share offer to receive and process applications for the share offer.

If you apply for Shares in the Cocoa Processing Company Limited “Share Offer” you will be agreeing with the Managers and the Ghana Government as set out below and accepting the conditions in 7.2 and 7.8.

7.2 General Conditions

- a. If you receive a copy of this document and/or Application Form in any territory other than Ghana, you may not treat it as constituting an invitation or offer to you, nor should you in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to you without compliance with any unfulfilled registration or other legal requirements. It is your responsibility if you are outside Ghana and/or subject to the laws of any other territory and if you receive a copy of this document and/or an Application Form and wish to make an Application, to satisfy yourself as to full observance of any governmental or other consents and compliance with other necessary formalities, and to pay any transfer charges or other taxes or duties required to be paid in such territory in respect of the offer shares acquired by you under the offer.
- b. If you are a Qualifying Offer Applicant resident outside Ghana, you may apply for a specified number of shares by completing and returning an Application Form for a specified number of Offer Shares which you wish to acquire, by hand or by registered post to GHANA INTERNATIONAL BANK, 69 CHEAPSIDE, LONDON, EC2P2BB, England, UK, not later than 3.00 pm (Ghana Time) on Friday, October 25, 2002. For applications delivered by hand, a cheque, bankers draft or cash for the relevant amount in US dollars or British Sterling equivalent of the Cedis price of the offer shares should accompany your Application Form and should be in a form which will realise cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on Friday, October 25, 2002. For Applications delivered by registered post, funds should be remitted by bank transfer to the following account(s): “CPC SHARE OFFER USD Account No. 0001695602 (for US Dollar amounts)”, and “CPC SHARE OFFER STERLING Account No. 0001695601 (for all sterling amounts)”, and “CPC SHARE OFFER EURO No. 0001695603 (for all euro amounts)”, at Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK, or “NTHC Limited USD Account No. 0041 2212 8125 (also for US Dollar amounts), at Bank of America N.A., P.O. Box 25118, Tampa, Florida 33622-5118, USA, routing number 051 000017”, for value not later than 3.00 pm (Ghana Time) on Friday, October 25, 2002.
- c. If you are a Qualifying Offer Applicant resident outside Ghana and a Receiving Agent has been appointed in your country of residence, you may return your Application Form by hand or by registered post to such Receiving Agent together with your remittance to realise cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on Friday, October 25, 2002.

Lead Manager & Sponsoring Broker: NTHC Limited

- d. For the avoidance of doubt, payments accompanying Applications from residents in Ghana must be made in Cedis and, payments accompanying Applications from non-resident Applicants must be made in US Dollars, or British Pound Sterling, or Euro, for payments in US Dollar amounts, and British Pound Sterling amounts, and Euro amounts respectively. For non-resident Applicants, *the cedis equivalent of the amount of offer shares being paid for, whether payment is made in US dollars or British Sterling will be credited and the same Cedi Offer Price (\$1,000 per share) will apply, but a uniform exchange rate of Cedis 8,500=US\$1.00, and Cedis 12,600=£1.00, and Cedis 8,400=€1.00 will apply over the offer period.*
- e. Any Application from outside Ghana which is not received, for any reason, from a Qualifying Offer Applicant by a Receiving Agent which will realise cleared funds for the full amount payable on application by 3.00 pm (Ghana Time) on October 25, 2002 shall be considered as invalid.
- f. All documents and remittances sent or delivered to or by Applicants will be sent or delivered at their own risk.

7.3 Offer to purchase Shares

- a. You offer to purchase from the Ghana Government and Cocoa Processing Company Limited at Cedis 1,000 per Share the number of Offer Shares indicated in your application form (or any smaller number in respect of which your application is accepted) on these terms and conditions, and on the basis of the information contained in the Prospectus and subject to the Regulations of the Company. You agree that for all payments and transactions in this CPC Share Offer, subsequent payments to you in any capacity will be denominated in cedis *except for refunds which will be made in the currency in which you paid for the offer shares.*
- b. You agree that your offer cannot be revoked prior to October 25, 2002 and promise that any cheque, bankers' draft or money/postal order accompanying your application will be honoured on first presentation and that this paragraph constitutes a collateral contract between you, the Company and the Ghana Government. It becomes binding when your application is posted to or, in the case of delivery by hand, received by, one of the Receiving Agents. All bank commissions and transfer and other charges must be paid by the applicant.
- c. No application will be considered by the Managers as representatives of the Government or treated as binding until after the closing of the Application List on October 25, 2002.
- d. A thumbprint on an application form will be accepted instead of a signature thereon.
- e. If your application form is not completed correctly or is amended, or if any accompanying cheque, bankers' draft, money/postal order or other remittance is in the wrong currency or realises, on presentation, cleared funds, after 3.00 p.m. (Ghana time) on October 25, 2002 and/or an amount which is less than the amount due in respect of the number of Shares applied for it may still be treated as valid. In these circumstances the Managers' decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to purchase a number of Offer Shares greater than the number specified in your application form.
- f. Applications must be for a minimum of 100 Shares. Applications for more than 100 Shares must be made in multiples of 50 Shares. If you apply for a number of Shares in excess of 100 and such excess is not a multiple of 50 Shares you will be treated as having applied for the number of Shares, being the next lowest multiple of 50 Shares.
- g. Any application may be rejected in whole or in part, if it is determined to be incomplete, illegible, or if it is determined that the Applicant is not eligible to participate in this Offer. Applications which are not rejected (or which are rejected only in part) may still be scaled down when there is over-subscription.

7.4 Acceptance of your offer

- a. Acceptance of your offer will be made (if your application is received, valid, processed and not rejected) either:
- (i) by notifying the Ghana Stock Exchange of the basis of allocation in which case the acceptance will be on that basis; or
 - (ii) by notifying acceptance to one of the Receiving Agents.
- The acceptance may be of the whole or any part of your offer and, accordingly, the number of Offer Shares you offer to purchase may be scaled down.
- b. If your offer to purchase is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the Offer Shares in respect of which your offer has been accepted.
- c. The Cocoa Processing Company Limited Share Offer comprises Shares held by the Government of Ghana *and in the event of over-subscription, additional new shares to be issued by the Company.*

7.5 Payment for the Shares

- a. You undertake to pay the purchase price for the Offer in respect of which your offer is accepted. The cheque or bankers' draft or other remittance accompanying your application may be presented for payment before acceptance of your offer, but this will not constitute acceptance of your offer, either in whole or in part. The proceeds of this presentation will be held pending acceptance and, if your offer is accepted, will be applied in discharging the purchase price for the Offer Shares in respect of which your offer is accepted. Following payment in full of the purchase price, the Company will arrange (and you authorise the Company so to do) for you to be entered on the Shareholders Register in respect of the Offer Shares which you have offered to purchase, and in respect of which your offer has been accepted.
- b. If your application is invalid, rejected or not accepted in full, the proceeds of the cheque or other remittance accompanying your application or the unused balance of those proceeds (as the case may be) will be refunded to you without interest and any interest received on all such proceeds will be retained by the Government of Ghana and the Company.
- c. If the remittance accompanying your application is not honoured on first presentation, then, at any time until one of the Receiving Agents has received in cleared funds for the Offer Price in respect of an Offer Share, the Managers, on behalf of the government, may terminate the agreement to purchase that Offer Shares. This termination will be effected by notice being despatched to you. In the event of termination you will pay to the Managers on behalf of themselves and the Ghana Government on demand such amount as may be certified on their behalf as being necessary to compensate the Managers and the Government of Ghana for the losses, costs and expenses incurred or expected to be incurred as a result of the remittance not being honoured on first presentation and as a result of termination (taking into account any amounts paid under paragraph (b) above and any profit gained on the resale of the Offer Share).

7.6 Warranties

- a. You warrant that:
- (i) You are a Qualifying Applicant;
 - (ii) In making your application you are not relying on any information or representation concerning the Company and/or the Offers or any of them not contained in the Prospectus. You agree that no person responsible for this document or any part of it will have any liability for any such other information or representation, and
 - (iii) If the laws of any place outside Ghana are applicable to your application, you have complied with all such laws and none of the Managers, the Ghana Government, the Company (in any capacity whatsoever), will infringe any laws outside Ghana as a result of the acceptance of your offer or any actions arising from your rights and obligations under these terms and conditions and the Regulations of the Company.
- b. If the person signing, or making a thumb print on, the application form is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney which (or a copy of which certified by a solicitor) accompanies the application.
- c. If the Applicant is other than a natural person, the person signing the Application Form warrants that he has authority to do so on behalf of the Applicant.

7.7 Supply and disclosure of information

- a. The Company, Government of Ghana, Managers, and their agents shall have full access to all information relating to, or deriving from, the cheque or bankers' draft or other remittance accompanying your application, and its processing. If the government or its agents request any further information about your application you must promptly disclose it to them.

7.8 Miscellaneous

- a. The rights and remedies of the Company, the Government of Ghana, and the Managers under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- b. If you deliver your application form to a Receiving Agent, you authorise the Government of Ghana and the Company and their respective agents to send any money returnable to you and a share certificate for the number of Shares for which your application is accepted to the Receiving Agent to which you delivered your application form for collection by you from such Receiving Agent, and you agree to produce the completed receipt from the bottom of the application form and/or other appropriate evidence of your entitlement to the certificate and/or returned monies to such Receiving Agent upon collection thereof. If your application was sent by post, you authorise the Government or its agents to send a share certificate for the number of Shares for which your application is accepted and/or a cheque for any money returnable by registered post to you at your address (or, in the case of joint applicants, the address of the first-named person) as set out in the application form.
- c. All documents and monies sent or delivered to or by you will be sent or delivered at your own risk. Any cheque, in regards to a refund, will be made payable to you (or the first person named in any joint application) and will be in the currency in which you applied for Offer Shares, and you agree and accept that a payment to you in the currency in which you applied for Offer Shares in this instance does not constitute a waiver of any part of 7.1(a) above.

- d. You agree to be bound by the Regulations of the Company once the Offer Shares you have agreed to purchase have been transferred to you.
- e. Your application, any acceptance of that application and the contract resulting therefrom will be governed by, and construed in accordance with, the laws of Ghana. For the exclusive benefit of the parties mentioned in the introduction to these terms and conditions you irrevocably submit to the jurisdiction of the Ghanaian courts in respect of these matters. This does not prevent an action being taken against you in any other jurisdiction.
- f. Words defined in the Prospectus and not defined in these terms and conditions have the same meanings in these terms and conditions and in your application form and in the guide to the application form as in the Prospectus. In the case of a joint application, references to an applicant in these terms and conditions are to each of the joint applicants and their liability is joint and several.
- g. There is no stamp duty on dealings in shares listed or to be listed on the Ghana Stock Exchange.
- h. The Government of Ghana reserves the right, after consultation and with the agreement of the Company, and the Managers, and the Ghana Stock Exchange to extend the period of the Cocoa Processing Company Limited Share Offer, save that it will not be extended beyond December 06, 2002 and/or to extend the Cocoa Processing Company Limited Share Offer to persons other than natural persons.
- i. Although the Government of Ghana, and the Company, will be co-operating with the Managers in connection with the co-ordination of the Cocoa Processing Company Limited Share Offer, it is the responsibility of the Managers to ensure full compliance with all applicable laws and regulations in relation to the Cocoa Processing Company Limited Share Offer and the solicitation of applications therefor. Neither the Government of Ghana nor the Company, accepts any responsibility in this regard.

SECTION 8 Application Form, Completion Guide, And Return Instructions**8.1 Instructions For Completion Of Application Form**

Before completing an Application Form you should read this carefully.

PLEASE USE BLOCK/CAPITAL LETTERS.

PLEASE RETURN THE COMPLETED APPLICATION FORM SOONEST BUT NOT LATER THAN FRIDAY, OCTOBER 25, 2002¹⁶.

1. Multiple applications are not permitted. Please read **Note 7** and the Declaration carefully before you sign (or, if unable to sign, make your thumb print) above the line provided and date the form in the box provided.

The Application Form may be signed by someone else on your behalf if he/she is duly authorized to do so. An agent must enclose the original power of attorney appointing him/her (or, a copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

Application from illiterates should bear their right thumb print on the Application Form and be witnessed by an official of the bank or a broker at which the application is lodged, who must first have explained the meaning and must record in writing that he has given this explanation to the illiterate in the language understandable by him or her and that the illiterate appeared to have understood the same before affixing his or her thumb impression.

If applying for someone under the age of 18 years, you (rather than that person) must sign the Application Form.

2. Fill in your Surname (i.e. family name), all your forenames (i.e. First/Christian names) and the title by which you are addressed. In the case of a Corporate Applicant, your company name can be filled in here. Applications from corporations and partnerships must bear the institutions' common stamp and be completed under the hand of a duly authorized official who should also state his/her designation/title.

Only people of 18 years and above can buy shares in their own names. However, shares can be bought for a minor by a parent, grand parent or guardian of the minor. That adult can complete another application to buy shares in his/her own name. If you wish to apply with another adult, see **Note 8**.

3. Fill in the number of shares (**minimum is 100 shares and thereafter in multiples of 50**) that you are applying for and the amount of your payment (minimum is €100,000). Please use figures.

¹⁶ The Managers of the Offer may, in consultation with the Government of Ghana, CPC, and the Ghana Stock Exchange, extend the Offer period beyond this date.

Your payment must be in a form which will realize cleared funds for the full amount payable by 3:00pm (GMT) on Friday October 25, 2002.

Cheques, money/postal orders and banker's drafts should be made payable to the Receiving Agent and crossed **CPC SHARE OFFER** and endorsed **COMMISSION TO DRAWER'S ACCOUNT**.

All bank commissions and transfer charges must be paid by the applicant.

The Minimum Application is for 100 shares, and in multiples of 50 shares thereafter.

When the basis of allocation under the CPC Share Offer is set, successful applicants will be allocated a number of shares. Any balance owing will be refunded.

4. Fill in your full postal address.
5. Provide the information for the bank where you wish to receive dividend payments. If you have no bank, leave blank. Ask the receiving agent for assistance if you have any difficulties.
6. Tick the relevant box to indicate your country of residence (i.e. whether or not you are resident in Ghana).
7. *By signing the Application Form you will be applying for Offer Shares on the terms and conditions set out in the Prospectus and in this Form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether an Application is made solely or jointly with other persons.*
8. Joint Applicants.

You may apply jointly with up to three people, provided each applicant is an adult over 18 years of age. They should complete their names and sign the appropriate place by their name.

Power(s) of Attorney must be enclosed if anyone is signing on behalf of any joint applicant(s).

PLEASE LEAVE THE BRANCH CODE AND FORM NUMBER BLANK. THIS WILL BE COMPLETED BY YOUR BANK OR BROKER.

PHOTOCOPIES Of Application Forms used MUST BE CLEAR AND CLEAN.

8.2 Instructions For Return Of Your Application Form

Lead Manager & Sponsoring Broker: NTHC Limited

IN GHANA:

You must return your completed Application Form, together with your payment by 3.00pm Ghana Time on October 25, 2002 to any of the following Receiving Agents:

Receiving Brokers:

NTHC Limited
Capital Alliance Company Limited
CAL Brokers Limited
Databank Brokerage Limited
Gold Coast Securities Limited
Ecobank Stockbrokers Limited
Sterling Securities Limited

New World Investments Limited
Worldwide Securities Limited
CDH Securities Limited
First Atlantic Brokers Limited
Merban Stockbrokers Limited
SDC Brokerage Limited
Strategic African Securities Limited

Receiving Banks:

Ghana Commercial Bank Limited
National Investment Bank Limited
Prudential Bank Limited
S S B Bank Limited
Merchant Bank Ghana Limited
Amalgamated Bank Limited
Stanbic Bank Limited
International Commercial Bank Limited
Metropolitan & Allied Bank Limited

The Trust Bank Limited
Agricultural Development Bank Limited
Ecobank Ghana Limited
CAL Merchant Bank Limited
First Atlantic Merchant Bank Limited
Barclays Bank of Ghana Limited
Standard Chartered Bank Ghana Limited
Unibank Ghana Limited

Receiving Rural Banks:

Bia Torya Rural Bank (Bonsu Nkwanta, Western Region) Kaaseman Rural Bank (Sefwi Kaase, Western Region)
Amenfiman Rural Bank (Manso Amenfi, Western Region)

OUTSIDE GHANA:

If you are a “Qualifying Applicant” applying for Offer Shares outside Ghana, you may return your completed application form and remittance by hand or registered post to **Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK.**

For applications delivered by hand, your application form and cheque or draft (made out to “CPC SHARE OFFER”) should be in a form which will realize cleared funds, for the full amount payable on application by 3.00pm (Ghana Time) on October 25, 2002.

For applications delivered by registered post, funds should be remitted by bank transfer to “CPC SHARE OFFER USD Account No. 0001695602” (for *US Dollar amounts*), and “CPC SHARE OFFER STERLING Account No. 0001695601” (for *all Sterling amounts*), and “CPC SHARE OFFER EURO Account No. 0001695603 (for *all euro amounts*)”, at Ghana International Bank, 69 Cheapside, London, EC2 P2BB, England, UK, **or** “NTHC Limited USD Account No. 0041 2212 8125 (also for *US Dollar amounts*)”, at *Bank of America N.A., P.O. Box 25118, Tampa, Florida 33622-5118, USA, routing number 051 000017*”, for value not later than 3.00 pm (Ghana Time) on Friday, October 25, 2002.

Lead Manager & Sponsoring Broker: NTHC Limited

GUIDE TO COMPLETING THE APPLICATION FORM

AFTER YOU HAVE COMPLETED THE APPLICATION FORM YOU SHOULD DELIVER IT IN ACCORDANCE WITH THE STATED INSTRUCTIONS. POSTAL APPLICATIONS SHOULD BE RECEIVED BY 3PM GMT ON OCTOBER 25, 2002

1 Multiple applications are not permitted.

Please read the declaration in Box 7 carefully before you sign (or, if appropriate, make your thumb print) IN THE Box, and then date the form in the area provided.

- The application form may be signed by someone else on your behalf if he/she is duly authorized to do so. An agent must enclose the original power of attorney appointing him/her (or a copy certified by a solicitor) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.
If you are applying for the benefit of someone under the age of 18, you, rather than that person, must sign the application form, and put the minor's name in the box provided.

2 Put in Box 2 your full name. Please use BLOCK/CAPITAL LETTERS.

Applications must not be made by anyone under 18, but a parent, grandparent or guardian of a child under 18 may apply for the benefit of that child. To do this you should put your name in the surname and forename sections of Box 2 and the full name of the child in the Account Name section in Box 5 under the Dividend payment details. You are not thereby precluded from making a single application for your own benefit.

If you wish to apply with another adult, see Note 8.

3

Put in Box 3 the number of Shares for which you are applying and the amount (in figures) of your payment, which must be in a form which will realize cleared funds for the full amount payable on application by 3:00 p.m. GMT on October 25, 2002. Cheques, money/postal orders and bankers' drafts should be made payable to "CPC Share Offer", crossed A/c payee only and endorsed, where applicable, COMMISSION TO DRAWER'S ACCOUNT. The applicant must pay all bank commissions and transfer charges.

THE MINIMUM APPLICATION IS FOR ONE HUNDRED SHARES AND AN AMOUNT OF CEDIS 100,000

When the basis of allocation under the CPC Share Offer is set, successful applicants will be allocated a number of Shares. Any balance owing will be refunded. For example, if you wish to purchase 50,000 shares, and provided CEDIS 50,000,000 for the purpose, and your application is scaled down to 40,000 shares because of excess applications, you will be allocated 40,000 shares and receive a refund of CEDIS 10,000,000.

If you are foreign resident you will receive due refund in the currency you made the initial payment

4 Put in Box 4 your full address in BLOCK/CAPITAL LETTERS**5 Put in Box 5 the bank, branch and account number that you wish dividends attributable to any Shares allocated to be paid into. Otherwise leave blank.****6 Tick the relevant box on the application form to indicate your citizenship (whether or not you are resident in Ghana).**

Also state your country of residence in the indicated box even if it is Ghana.

7 CAUTION

By signing an application form you will be applying for Offer Shares on the terms and conditions set out in the Prospectus and in this form. Proceedings may be instituted against anyone knowingly making a false declaration. This applies whether the application is made solely or jointly with other parties.

8 JOINT APPLICANTS

- You may apply jointly with up to three other people, providing each applicant is an adult over 18 years of age. They should complete and sign Box 8.
- Power(s) of attorney must be enclosed if anyone is signing on behalf of any joint applicant(s)

➤ PHOTOCOPIES OF APPLICATION FORMS USED MUST BE CLEAR AND CLEAN

➤ ENSURE THAT YOU RECEIVE THE COUNTERFOIL OF YOUR APPLICATION FORM FOR YOUR RECORDS

Before completing this form read carefully the **GUIDE TO COMPLETING THE APPLICATION FORM**
COCOA PROCESSING COMPANY LIMITED SHARE OFFER APPLICATION FORM

PLEASE USE BLOCK/CAPITAL LETTERS

1		Broker/Bank Signature & Stamp	
Form Number :		Signature/Thumbprint (above the line)	
Receiving Agent/Branch Code :			
Date :			
2 Surname/Company name:		3 Number of Shares:	
Forename(s) in full: State title if any, or Mr./Mrs./Ms./Alhaji etc.:		Amount Payable (Ghana Residents) €:	
Minor's Name: (if applying on behalf of a minor):		Amount Payable (Foreign Residents) £/\$/¥:	
Applicant's Address Details:		Dividend payment details:	
4 Hse No./Street:		5 Bank:	
P. O. Box		Branch:	
Town:		Branch Code: Verify from Receiving Agent	
Region:		Account Number:	
Country :		Account Name:	
6 Nationality: Ghanaian <input type="checkbox"/> other ECOWAS <input type="checkbox"/> Other <input type="checkbox"/>		COUNTRY OF RESIDENCE :	
7 Declaration: I/We hereby apply for offer Shares on the terms and conditions set out in the Prospectus. I/We declare that I/we am/are a Qualifying Offer Applicant(s) and that to my/our knowledge there is no other application being made for my/our benefit (or that of any person for whose benefit) I/We am/are applying for CPC Shares for which I/we have applied on this form. I/we understand the caution in Note 7 of the Completion Guide.			
8 Joint Applicants: I/We join in this application and give the Declaration in Box 7 above DATE:			
Other Applicants	2nd Joint Applicant	3rd Joint Applicant	4th Joint Applicant
Surname: (Mr./Mrs./Ms./Alhaji etc)			
Forename(s) in full:			
Signature or Thumbprint			
To be completed by receiving Broker/Bank and then signed by applicant and retained by applicant as evidence of payment			
COCOA PROCESSING COMPANY LIMITED SHARE OFFER : COUNTERFOIL		Form Number:	
Surname/Organisation:	Applicant's Signature/Thumbprint	Broker/Bank Signature & Stamp	
Forename(s) in full:			
Title (Mr./Mrs./Ms./Alhaji, etc.):			
Address (Hse No./Street)			
P. O. Box: Town:			
Region:			
Country:			
NUMBER OF SHARES:	Amount Paid[€/\$/£/¥]:	Agent Code:	

Lead Manager & Sponsoring Broker: NTHC Limited

