INDEBTEDNESS

The Group did not have any outstanding bank loans, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding as at 31st October, 2003.

The Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of the Group since 31st October, 2003.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Net current assets

As at 31st October, 2003, the Group had net current assets of approximately HK$117.5 million. Current assets of the Group comprised cash and bank balances of approximately HK$47.8 million, inventory of approximately HK$13.6 million, trade debtors of approximately HK$68.1 million, advances to suppliers of approximately HK$14.3 million and prepayments and other receivables of approximately HK$4.0 million. Current liabilities of the Group comprised Indonesian corporate income tax payable of approximately HK$30.3 million.

Financial resources and working capital

The Group has historically financed its operations with internally generated cash flow and an unsecured loan from Bakerloo, an Independent Third Party.

Pursuant to the Loan Agreement, the Group obtained a US dollar-denominated unsecured loan of US$30 million from Bakerloo in 1999. Bakerloo has confirmed that it is independent of and not connected with any of the Directors, Mr. Mulya, each of the Investors, the previous shareholders of Nataki, and their respective associates. Bakerloo is engaged in the business of providing debt financing and investing. Regarding the debt financing business, Bakerloo lends to businesses in Indonesia and other Southeast Asian countries. In Indonesia, it has provided financing to 14 companies, and in other parts of Southeast Asia, it has provided financing to 18 companies. The decision to borrow US dollar-denominated unsecured loan was made by the previous owners and management of Nataki before Mr. Judianto and the Investors acquired 95% of the issued share capital of Nataki in December 1999. The Directors believe that the previous owners and management of Nataki decided to obtain financing for Nataki in US dollars instead of IDR because the US dollars interest rate when the loan was granted in 1999 was much lower than the IDR interest rate. The normal interest rate for a US dollar-denominated loan in Indonesia was around 11% per annum in 1999, while that for a IDR-denominated loan was around 21% per annum. The US dollar-denominated unsecured loan matures at the end of 2003. The interest rate of the US dollar-denominated unsecured loan was 3.75% per annum. On 28th December, 2001, the Loan Agreement was amended whereby: (i) the then outstanding amount of US$16 million of the US dollar-denominated loan was fully converted to an IDR-denominated loan of IDR166,400 million at the rate of US$1=IDR10,400; and (ii) the interest rate was changed to 6% per annum with effect from 28th December, 2001.

In August 2002, Mr. Judianto and the Investors advanced in aggregate IDR95 billion (equivalent to approximately HK$82.9 million) as shareholders' loans to Dickinson in proportion to their then shareholdings in Dickinson. Dickinson then increased its investment in Nataki by applying the proceeds from the shareholders' loans for the subscription of new shares in Nataki, thus increasing the share capital of Nataki from IDR1 billion (equivalent to approximately HK$0.9 million) to IDR101 billion (equivalent to approximately HK$88.1 million). Such funds were in turn, used by Nataki to reduce the IDR-denominated loan to IDR66,560 million (equivalent to approximately HK$58.1 million). The shareholders' loans were then capitalised by the issue of new shares in Dickinson to Mr. Judianto and the Investors in proportion to their then shareholdings in Dickinson. As a result, the issued share capital of Dickinson increased from US$1,000 to US$10,781,000.

In October 2003, the IDR-denominated unsecured loan was fully repaid.

The Directors are of the opinion that, taking into account the existing financial resources available to the Group including internally generated cash flows and the estimated net proceeds from the Placing, the Group has sufficient capital to meet its present working capital requirements.

Capital commitments

As at 31st October, 2003, the Group had no material capital commitments.

Foreign exchange risk

Since the Group commenced export sales in 2001, its sales and purchases have been denominated in US dollars and IDR, respectively. For each of the two years ended 31st December, 2002 and the eight months ended 31st August, 2003, the exchange loss attributable to the Group's trading operations was approximately HK$1.2 million, HK$3.5 million and HK$3.1 million, respectively. Currently, the Group has not entered into any agreement or purchased any instrument to hedge against fluctuations of foreign exchange rates because the costs of the hedging contract is very significant and requires the Group to place a 100% deposit or cash collateral with the bank which the Directors believe is costly and uneconomical to the Group. However, the Group may decide to do so in the future from time to time when the cost of the hedging contract will be less than the potential foreign exchange loss and when the deposit required by the bank is at a level acceptable by the Group.

The Group had a US dollar-denominated unsecured loan which was converted to IDR in December 2001. During the year ended 31st December, 2001, the Group incurred an exchange loss of approximately HK$10.2 million as a result of the conversion of the loan into IDR. During the year ended 31st December, 2002, the Group incurred an exchange gain of approximately HK$1.5 million as a result of the settlement in September 2002 of the outstanding US dollar-interest accrued for the period before the unsecured loan was converted to IDR. Since the US dollar-denominated unsecured loan was converted to an IDR-denominated loan in December 2001 and all outstanding US dollars interest was settled in September 2002, there has not been and will not be any exchange gain or loss associated with the unsecured loan since 2003.

TRADING RECORD

The following is a summary of the Group's combined audited results for the Track Record Period which has been extracted from the Accountants' Report set out in Appendix I to this prospectus. The combined audited results were prepared on the assumption that the current structure of the Group had been in existence throughout the Track Record Period and in accordance with the basis set out in section 1 of the Accountants' Report contained in Appendix I to this prospectus.

		Year ended 31st December,		**Eight months ended 31st August,**
		2001	**2002**	**2003**
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Turnover		145,153	300,947	351,974
Cost of sales		(115,771)	(236,580)	(274,179)
Gross profit		29,382	64,367	77,795
Other income		344	644	1,373
Selling and distribution expenses		(695)	(1,073)	(1,248)
General and administrative expenses		(625)	(1,212)	(1,360)
Net exchange loss	1	(11,377)	(1,972)	(3,276)
Profit from operations		17,029	60,754	73,284
Finance costs		(4,741)	(6,474)	(1,776)
Impairment losses of fixed assets	2	(9)	—	—
Profit before taxation		12,279	54,280	71,508
Taxation	3	(4,009)	(16,561)	(21,364)
Profit after taxation		8,270	37,719	50,144
Minority interests	4	—	—	(2,507)
Profit attributable to Shareholders		8,270	37,719	47,637
Earnings per Share				
Basic, HK cents	5	1.5	6.7	8.5
Diluted, HK cents	6	1.3	6.1	7.7

Notes:

1. The exchange loss for the year ended 31st December, 2001 was mainly due to the exchange loss arising from the US dollar-denominated loan advanced to the Group pursuant to the Loan Agreement. Such loan was converted into a IDR-denominated loan in December 2001. For the year ended 31st December, 2001, the exchange loss attributable to the US dollar-denominated loan was approximately HK$10.2 million. The balance of the exchange loss of approximately HK$1.2 million resulted from the trading operations of the Group. The net exchange loss of approximately HK$2.0 million for the year ended 31st December, 2002 resulted mainly from the trading operations of the Group and a foreign currency deposit. The net exchange loss of approximately HK$3.3 million for the eight months ended 31st August, 2003 resulted mainly from the trading operations of the Group.

2. The Directors carried out an impairment review of the carrying values of the land use rights and land and buildings as at 31st December, 2001 with reference to the open market values as at that date.

3. During the Track Record Period, all of the Group's profits were derived from Nataki which is incorporated and operated in Indonesia. No provision for Hong Kong profits tax has been made in these financial statements as the Group has no assessable profits for the Track Record Period. No provision for Indonesian corporate income tax has been made for the two years ended 31st December, 2002 as Nataki had no net taxable income after offsetting against available tax losses brought forward and taxation in the combined income statements for the two years ended 31st December, 2002 represents the tax charge transferred from deferred taxation. For the eight months ended 31st August, 2003, taxation in combined income statements represents a provision for Indonesian corporate income tax of approximately HK$16.4 million and a net tax charge transferred from deferred taxation of approximately HK$4.9 million. Further details of the taxation during the Track Record Period are set out in note 8 to the Accountants' Report in Appendix I to this prospectus.

4. Minority interests in the combined income statement represent the net amount of the minority's share of current year's profit less its share of losses previously unabsorbed. In accordance with accounting policy note 2(k) to the Accountants' Report in Appendix I to this prospectus, losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of the subsidiary. The excess, and any further losses applicable to the minority, are charged against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, the majority interest is allocated all such profits until the minority's share of losses previously absorbed by the majority has been recovered. All the minority's share of losses previously unabsorbed had been fully recovered during the year ended 31st December, 2002.

5. The calculation of basic earnings per Share is based on the Group's combined profit for the Track Record Period and the assumption that a total of 560,000,000 Shares had been in issue during the Track Record Period.

6. Diluted earnings per Share for the Track Record Period are based on the Group's combined profit attributable to Shareholders and on the assumption that 614,755,556 Shares have been in issue during the Track Record Period. The number of Shares used in the calculation comprised 560,000,000 Shares referred to above and 54,755,556 Shares that are deemed to have been issued at no consideration on the deemed exercise of the options granted under the Pre-IPO Share Option Scheme as referred to in the paragraph headed "Share Option Schemes" in Appendix V to this prospectus, but takes no account of any Shares to be issued pursuant to the exercise of the Over-allotment Option, any Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any Shares which may be allotted and issued by the Company pursuant to the general mandate referred to in Appendix V to this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS

The following is a discussion of the combined audited results of the Group for the Track Record Period based on the presentation set out in the Accountants' Report in Appendix I to this prospectus.

Overview of net profit margin

For the year ended 31st December, 2001

The net profit margin increased to approximately 5.7% for the year ended 31st December, 2001 mainly due to (i) the decrease in exchange loss arising from the unsecured loan from approximately HK$83 million for the year ended 31st December, 2000 to approximately HK$10 million for the year ended 31st December, 2001; (ii) the absence of impairment loss of land use rights for the year ended 31st December, 2001; and (iii) the increase in gross profit margin from approximately 7.1% for the year ended 31st December, 2000 to approximately 20.2% for the year ended 31st December, 2001 as the Group began to source directly from farmers instead of traders in 2001.

For the year ended 31st December, 2002

The net profit margin increased to approximately 12.5% for the year ended 31st December, 2002 mainly due to the absence of exchange loss arising from the unsecured loan for the year ended 31st December, 2002.

For the eight months ended 31st August, 2003

The net profit margin increased to approximately 13.5% for the eight months ended 31st August, 2003 mainly due to the increased trading volume of cocoa beans.

Financial year ended 31st December, 2001

Turnover

The turnover of the Group amounted to approximately HK$145.2 million for the year ended 31st December, 2001. During the year, the Group had three overseas customers, namely Unicom, ICBT and Orebi, which accounted for 37.1%, 31.7% and 31.2% of the Group's sales for that year, respectively. The total purchase volume of these customers was 16,380 tonnes.

Gross profit

The gross profit from the sale of cocoa beans amounted to approximately HK$29.4 million, representing a gross profit margin of approximately 20.2%.

Other income

During the year, other income principally comprised bank interest income.

Selling and distribution expenses

Selling and distribution expenses comprised salaries to staff working in the sales and warehouse departments and transportation charges for the delivery of cocoa beans from its warehouse to the port before shipment to overseas customers.

General and administrative expenses

General and administrative expenses principally comprised depreciation charges of approximately HK$0.2 million and bank charges of approximately HK$0.2 million.

Net exchange loss

During the year ended 31st December, 2001, the IDR/US dollar exchange rates fluctuated significantly; especially during the period from May to August 2001, IDR appreciated against US dollar by approximately 22.1% from US$1 to IDR11,375 as at 1st May, 2001 to US$1 to IDR8,535 as at 31st August, 2001.

As a result, the Group incurred an exchange loss of approximately HK$10.2 million from the conversion of the US dollar-denominated unsecured loan to IDR on 28th December, 2001. The Group also incurred a net exchange loss of approximately HK$1.2 million from its export trading operations, which received payments in US dollars.

Finance costs

Finance costs amounted to approximately HK$4.7 million, arising from interest on the unsecured loan.

Profit attributable to Shareholders

The profit attributable to Shareholders was approximately HK$8.3 million for the year ended 31st December, 2001.

Financial year ended 31st December, 2002

Turnover

The Group's turnover for the year ended 31st December, 2002 was approximately HK$300.9 million, which exceeds the turnover for the year ended 31st December, 2001 by approximately 107.3%. Such increase in turnover for the year was due to two reasons: (i) the Group's customers increased their purchase volume from 16,380 tonnes to 23,920 tonnes in total as the relationships between the Group and its customers strengthened; and (ii) the Group's average selling price per tonne of cocoa beans rose by approximately 43.2% from approximately HK$8,800 for the year ended 31st December, 2001 to approximately HK$12,600 for the year ended 31st December, 2002, which was generally in line with the increase in the price quoted on NYCSCE. Cocoa bean price increased during

2002 because the international supply of cocoa beans was reduced by (i) pests and diseases which affected the harvest of cocoa beans in many producing countries; and (ii) the civil unrest in Cote d'Ivoire, the world's largest cocoa bean producing country. During this year, Unicom, ICBT and Orebi accounted for approximately 37.4%, 32.8% and 21.1% of the Group's turnover, respectively.

Gross profit

The gross profit of the Group was approximately HK$64.4 million which exceeds the gross profit for the year ended 31st December, 2001 by approximately 119.1%. The increase in gross profit was attributable to (i) the increase in trading volume of cocoa beans and (ii) the increase in the selling price of cocoa beans. The gross profit margin remained stable at 21.4%.

Other income

Other income principally comprised bank interest income during the year.

Selling and distribution expenses

Selling and distribution expenses increased by approximately HK$0.4 million during the year principally due to increase in transportation charges as the Group incurred more transportation charges as a result of increased sales volume to overseas customers.

General and administrative expenses

During the year, general and administrative expenses increased by approximately HK$0.6 million principally due to increase in bank charges. Bank charges were incurred upon the receipt of remittances from overseas customers. Since sales increased significantly in 2002 as compared with 2001, bank charges increased accordingly.

Net exchange loss

During the year ended 31st December, 2002, IDR appreciated against the US dollar from US$1 to IDR10,425 as at 1st January, 2002 to US$1 to IDR8,940 as at 31st December, 2002. As such, the Group made an exchange gain from the settlement of the outstanding US dollars interest accrued for the period before the US dollar-denominated unsecured loan were converted to IDR, but suffered an exchange loss from the export trading operations.

As the US dollars-denominated unsecured loan was converted to an IDR-denominated unsecured loan on 28th December, 2001, the Group had no exchange gain or loss from the principal of the unsecured loan for the year ended 31st December, 2002. However, the US dollars interest accrued before the unsecured loan was converted to IDR remained outstanding until September 2002. When the Group paid the US dollars interest in September 2002, it recognised an exchange gain of approximately HK$1.5 million.

On the other hand, the exchange loss arising from the Group's export trading operations amounted to approximately HK$3.5 million.

Therefore, the Group's net exchange loss for the year was approximately HK$2.0 million.

Finance costs

Finance costs increased to approximately HK$6.5 million because the interest rate of the unsecured loan increased from 3.75% per annum to 6% per annum pursuant to the amendment of the Loan Agreement on 28th December, 2001.

Profit attributable to Shareholders

Due to the increase in the trading volume of cocoa beans, the rise in cocoa bean prices, and the reduction in exchange loss, the profit attributable to Shareholders for the year ended 31st December, 2002 amounted to approximately HK$37.7 million, which is over four times of the profit attributable to shareholders for the year ended 31st December, 2001.

Eight months ended 31st August, 2003

Turnover

For the eight months ended 31st August, 2003, the Group's turnover amounted to approximately HK$352.0 million, which already exceeds the turnover of approximately HK$300.9 million for the entire 12 months ended 31st December, 2002. During the eight months ended 31st August, 2003, the Group sold a total of 9,625 tonnes, 6,575 tonnes, 5,510 tonnes and 2,760 tonnes of cocoa beans to Unicom, ICBT, Westermann and Orebi, respectively, accounting for approximately 38.8%, 26.9%, 23.0% and 11.3% of the Group's total sales, respectively. Although cocoa bean prices quoted on NYCSCE began to decrease in February 2003 as a result of, amongst other things, the settlement of the civil unrest in Cote d'Ivoire, the average selling price of the Group's cocoa beans was approximately HK$14,300 per tonne during the period, which was still higher than that of approximately HK$12,600 per tonne for the year ended 31st December, 2002.

Gross Profit

The Group's gross profit during the eight months ended 31st August, 2003 was approximately HK$77.8 million, which exceeds the Group's gross profit of approximately HK$64.4 million for the year ended 31st December, 2002 mainly as a result of the increase in turnover. The Group's gross profit margin during the period was approximately 22.1%.

Other income

Other income principally comprised bank interest income during the period.

Selling and distribution expenses

During the eight months ended 31st August, 2003, the Group's selling and distribution expenses were approximately HK$1.2 million, mainly as a result of increase in transportation charges due to increase in sales volume to overseas customers and in salary expenses. The Directors consider that the increase in salary expenses for the Group's sales and marketing staff, which is in line with the increase in the Group's sales volume and turnover, is essential in providing an incentive for motivating the Group's sales and marketing team to further develop the Group's business.

General and administrative expenses

During the eight months ended 31st August, 2003, the Group's general and administrative expenses amounted to approximately HK$1.4 million, mainly as a result of increase in salary expenses, rental expenses and bank charges. Salary expenses increased during the period mainly due to (i) an increase in the number of management staff as the Group further strengthened its management team in preparation for the Placing and increase in the Group's business, and (ii) the general increment in salaries of the existing general and administrative staff in recognition of their efforts leading to the growth of the Group's business. Rental expenses increased mainly as a result of the increase in the rental of additional office space for the Group's investor relations office in preparation of the Placing. Bank charges increased during the period mainly due to the increase in sales volume.

Net exchange loss

During the eight months ended 31st August, 2003, IDR appreciated against the US dollar from US$1 to IDR8,968 as at 1st January, 2003 to US$1 to IDR8,535 as at 31st August, 2003. The Group's net exchange loss during the period was approximately HK$3.3 million and was mainly resulted from the Group's trading operations. During the period, the Group did not incur any exchange gain or loss arising from its unsecured loan under the Loan Agreement since it had been converted from US dollar into IDR in 2001.

Finance costs

The Group's finance costs decreased during the period to approximately HK$1.8 million mainly as a result of the further repayment of an amount of approximately HK$39.8 million of the unsecured loan by August 2003. The remaining amount of the unsecured loan of HK$18.2 million was fully repaid in October 2003.

Profit attributable to Shareholders

Due to the increase in sales volume of cocoa beans, the Group's profit attributable to Shareholders during the eight months ended 31st August, 2003 amounted to approximately HK$47.6 million, which exceeds the profit attributable to Shareholders of approximately HK$37.7 million for the year ended 31st December, 2002.

TAXATION

The Group is subject to Hong Kong and Indonesian taxation. No provision for profits tax in Hong Kong has been made as the Group had no income assessable for profits tax during the Track Record Period in Hong Kong.

Nataki, a subsidiary of the Company, is an enterprise operating in Indonesia and was subject to Indonesian corporate income tax at the following progressive tax rates during the Track Record Period:

Taxable income	**Rate**
IDR	%
On the first 50,000,000	10
On the next 50,000,000	15
Over 100,000,000	30

No provision for corporate income tax in Indonesia has been made for Nataki for the two years ended 31st December, 2002 as it had no net taxable income during that period after offsetting against available tax losses brought forward. After offsetting against the tax losses brought forward at 1st January, 2003, a provision for corporate income tax was made by Nataki for the eight months ended 31st August, 2003 in the amount of approximately IDR18 billion (equivalent to approximately HK$16 million). Taxation in the combined income statements for the Track Record Period also includes a net tax charge transferred from deferred tax asset of approximately HK$4 million, HK$16 million and HK$5 million respectively. Further details of taxation during the Track Record Period are set out in note 8 to the Accountants' Report in Appendix I to this prospectus.

Pursuant to the prevailing tax treaty between Indonesia and Maruitius, dividend distributions by Nataki to its shareholder, Setimuly (being an entity incorporated in Mauritius), are currently subject to a withholding tax of 5%. Should the withholding tax rate increase as a result of a change in the tax treaty between Indonesia and Mauritius, the net amount of dividends to be received by the Company and thus the amount of profit available for distribution to the Shareholder through the Group's dividend distributions will be adversely affected.

The tax regulations in Indonesia adopts a "self-assessment" system. The tax authority does not normally confirm the self-assessment of a taxpayer; however it has the right to issue an assessment within 10 years, if, after an audit, it considers that the taxpayer has not self-assessed the correct amount or if no tax return has been lodged. However, an assessment can be issued after expiry of 10 years if the taxpayer has committed a criminal act. The Directors confirm that Nataki has properly submitted the corporation income tax returns for the years ended 31st December, 2001 and 2002 to the tax authority. In addition, each of the executive Directors and Mr. Mulya has entered into a deed of indemnity containing indemnities in favour of the Group in respect of, among other things, certain tax liabilities of the Group, details of which are set out under the paragraph headed "Estate duty and tax indemnities" in Appendix V to this prospectus.

PROPERTY INTERESTS

The Group leases the 2nd floor of a 4-storey office building at Pangeran Jayakarta Street, No. 117, B.35, B.37 and B.39, Sawah Besar Village, Mangga Dua Selatan Sub-District, Jakarta Pusat Municipality, DKI Jakarta Province, (with a floor area of approximately 216 sq.m.) for a term of 10 years commencing from 27th May, 2003 for an annual rent of IDR12 million (equivalent to approximately HK$11,000) from an Independent Third Party.

The Group also leases an office on the 9th Floor, Plaza BII, Tower 3 M. H. Thamrin Street No. 51, Jakarta Pusat Municipality, DKI Jakarta Province (with a floor area of approximately 294 sq.m.) from an Independent Third Party for a term commencing from 27th May, 2003 and expiring on 29th November, 2004 (with an option to extend for a further term of 3 years) for a monthly rent (including service charges) of approximately US$6,200 (equivalent to approximately HK$48,000). The Group uses this office as its investor relations office.

The Group also leases from an Independent Third Party a warehouse with a floor area of 4,608 sq.m. for storage and warehousing of its cocoa beans at Makassar, Sulawesi. The lease of the warehouse, at a monthly rent of IDR5 million (equivalent to approximately HK$5,000), will expire in December 2005.

A letter and a summary of valuation issued by American Appraisal China Limited, an independent property valuer, in respect of the property interests leased by the Group are set out in Appendix III to this prospectus.

DIVIDENDS

No dividend has been paid or declared by the Company nor any of its subsidiaries during the Track Record Period. The Directors expect that, in the future, the amount of any dividends to be declared will depend on, among others, the Company's results of operations, cash flow and financial condition, operating and capital requirements and other factors which the Directors may determine are important.

The Directors expect that, in the future, the interim dividend and final dividend will be paid in or about September and April of each year, respectively, and that the interim dividend will normally represent approximately one-third of the expected total dividends for the full year.

It is the Company's current intention to recommend annually the distribution to Shareholders of no less than 30% of the Company's distributable annual earnings as dividends commencing in 2004 for the year ending 31st December, 2003. Such dividend policy may be amended where there is a negative impact on the cash flows of the Group due to investments made by the Company as approved by the Directors where such investments are not fully covered by the appropriate financing. The amounts of dividends actually distributed to shareholders will depend upon the Company's earnings and financial position, operating and capital requirements.

The profits of the Group are derived entirely from the businesses conducted by Nataki in Indonesia. The profits available for distribution by the Company to the Shareholders are therefore entirely dependent on profits distributed by Nataki to the Company through the intermediate holding companies within the Group. Under existing legislation, dividends paid by Nataki to Setimuly are subject to an effective tax rate of 8%, comprising a withholding tax of 5% on gross dividends (to be paid by Nataki to the Indonesian Government) and an effective income tax of 3% on gross dividends (to be paid by Setmuly to the Mauritius Government).

DISTRIBUTABLE RESERVES

The Company was incorporated on 16th October, 2002 and had distributable reserves of approximately HK$71 million as at 31st August, 2003.

ADJUSTED NET TANGIBLE ASSETS

The following statement of adjusted net tangible assets of the Group is based on the audited combined net assets of the Group as at 31st August, 2003 as set out in the Accountants' Report in Appendix I to this prospectus and adjusted as follows:

	HK$' million
Audited combined net assets of the Group as at 31st August, 2003 as set out in Appendix I to this prospectus	95.4
Unaudited combined profits for the two months ended 31st October, 2003	16.3
Estimated net proceeds of the Placing *(Note 1)*	94.4
Adjusted net tangible assets	206.1
Adjusted net tangible asset value per Share *(Note 2)*	HK25.8 cents

Notes:

1. The estimated net proceeds of the Placing takes no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option. Should the Over-allotment Option be exercised in full, the Company will receive additional net proceeds in the amount of approximately HK$15.6 million.

2. The adjusted net tangible asset value per Share is based on 800,000,000 Shares in issue and to be issued under the Placing and the Capitalisation Issue but taking no account of (i) any Shares to be issued pursuant to the exercise of the Over-allotment Option; (ii) any Shares to be issued pursuant to the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and/or which may be granted under the Share Option Scheme; and (iii) any Shares which may be allotted and issued by the Company pursuant to the general mandate referred to in Appendix V to this prospectus.

   If the options under the Pre-IPO Share Option Scheme are exercised in full, the adjusted net tangible asset value per Share will be approximately HK25.8 cents.

   If the Over-allotment Option is exercised in full, the adjusted net tangible asset value per Share will be approximately HK27.7 cents.

PROFIT FORECAST

The Directors forecast that, in the absence of unforeseen circumstances and on the bases and assumptions set out in Appendix II to this prospectus, the combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending 31st December, 2003 (which includes a gain on disposal of fixed assets of approximately HK$12.3 million) will not be less than HK$80 million. As at the Latest Practicable Date, the Directors are not aware of any extraordinary items which have arisen or are likely to arise during the year ending 31st December, 2003.

On the basis of the above forecast combined profit after taxation and minority interests but before extraordinary items of not less than HK$80 million and the weighted average number of 580,000,000 Shares expected to be in issue during the year ending 31st December, 2003, the forecast earnings per Share will amount to approximately HK13.8 cents, representing a weighted average prospective price/earnings multiple of approximately 3.3 times based on the Placing Price. This does not take into account (i) any Shares to be issued pursuant to the exercise of the Over-allotment Option; (ii) any Shares to be issued pursuant to the exercise of any options which have been granted under the Pre-IPO Share Option Scheme and/or which may be granted under the Share Option Scheme; and (iii) any Shares which may be allotted and issued by the Company pursuant to the general mandate referred to in Appendix V to this prospectus. On the assumption that the Placing and the Capitalisation Issue had been completed and a total of 800,000,000 Shares were in issue since 1st January, 2003, the forecast diluted earnings per Shares is approximately HK9.8 cents, representing a pro forma fully diluted prospective price/earnings multiple of approximately 4.6 times based on the Placing Price. The texts of the letters from the auditors and reporting accountants, PKF, and from the Sponsor, CASH, in respect of the profit forecast are set out in Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading positions or prospects of the Group since 31st August, 2003.

DISCLOSURE UNDER RULES 17.15 TO 17.21 OF THE GEM LISTING RULES

As at 31st August, 2003, the total trade debtors due from Unicom and ICBT, customers of the Group, exceeded 25% of the audited combined tangible net asset value of the Group as at 31st August, 2003. Pursuant to Rule 17.15 of the GEM Listing Rules, details of the trade debtors are disclosed below.

As at 31st August, 2003, the total trade debts due from Unicom and ICBT amounted to approximately HK$25.5 million and HK$24.9 million respectively, representing approximately 26.7% and 26.1% of the audited combined tangible net asset value of the Group as at 31st August, 2003, respectively. The trade debtors arose from the Group's cocoa bean trading transactions and were unsecured, interest free and normally settled within one month following shipment of the goods. The Directors confirm that the Group will comply with the continuing disclosure obligations arising from its trading transactions pursuant to Rules 17.16 and 17.22 of the GEM Listing Rules following the listing of the Shares on GEM.

Save as disclosed herein, the Directors have confirmed that, as at 31st August, 2003, they were not aware of any circumstances which would give rise to a disclosure obligation under Rules 17.15 to 17.21 of the GEM Listing Rules.