This summary aims to give you an overview of the information contained in Listing Document. As it is a summary, it does not contain all the information that may be important to you.

Terms used herein will bear the same meanings as those defined under the respective sections headed "Definitions" and "Glossary of technical terms" of Listing Document.

BUSINESS

Indonesia is currently the third largest producer of cocoa beans in the world. Capitalising on the abundant supply of quality cocoa beans in Indonesia, the Group has established itself as one of the major exporters of cocoa beans in Indonesia in terms of trading volume. According to INCA, for the year ended 31st December, 2004, the Group was the third largest exporter of cocoa beans in Indonesia and amounted to approximately 13.2% of Indonesia's total export of cocoa beans. For each of the three years ended 31st December, 2004 and the ten months ended 31st October, 2005, the volume of cocoa beans exported by the Group amounted to approximately 23,920 tonnes, 45,790 tonnes, 54,440 tonnes and 50,200 tonnes, respectively, while the Group's turnover was approximately HK$300.9 million, HK$610.2 million, HK$619.1 million and HK$573.7 million respectively. The Group's trading product is one of the major raw materials used for the production of a variety of food products including chocolate, beverages and cakes, and various pharmaceutical and cosmetic products such as soaps and moisturising creams.

Since January 2001, the Group has ceased to sell its products to the domestic market in Indonesia and only sold to the export market. It is due to the demand and selling price commanded from the overseas markets is far superior to the domestic market. The Directors believe that this situation will continue and would not re-enter the domestic market in Indonesia in the next couple of years. The Group currently sells its products to five established importers in Europe, namely ICBT in the UK, Orebi in France, Westermann, Unicom and Theobroma in Netherlands, who resell the products to other cocoa beans trading companies and cocoa processing and/or manufacturing companies mainly in the Netherlands, UK and US. In October 2002, the Group entered into the Sales Agreements with each of Unicom, ICBT and Westermann whereby these customers agreed to purchase an annual minimum of 12,000 tonnes, 9,000 tonnes and 7,000 tonnes of cocoa beans, respectively, from the Group for an initial term of three years. Unicom, ICBT and Westermann have respectively ordered approximately 16,460 tonnes, 12,680 tonnes and 10,460 tonnes of cocoa beans in the first year and approximately 14,980 tonnes, 13,240 tonnes and 12,680 tonnes of cocoa beans in the second year, which have exceeded their respective annual commitments under the Sales Agreements by approximately 37.16%, 40.80% and 49.94% respectively for the first anniversary, and approximately 24.83%, 47.11% and 81.14% respectively for the second anniversary. In October 2005, the Sales Agreements signed in October 2002 had expired. To ensure a continuous flow of business from its customers, the Group renewed the Sales Agreements of the three existing customers, Unicom, ICBT and Westermann at the same month, whereby these customers agreed annual minimum volume of purchase 13,500 tonnes, 12,000 tonnes and 8,500 tonnes of cocoa beans respectively from the Group for a further term of another three years from October 2005 to October 2008. In addition, Orebi and Theobroma have a strict internal policy that does not allow them to sign any long term purchase agreements with any external parties.

For each of the three years ended 31st December, 2004 and the ten months ended 31st October, 2005, the Group sourced all of its cocoa beans directly from over 800, 1,800, 1,900 and 1,778 farmers in Indonesia respectively. Sourcing from a diversified base of farmers allows the Group to: (i) better control the quality and price of its purchases; (ii) maintain a stable and reliable supply; and (iii) improve its efficiency and cost effectiveness without going through intermediaries. The Directors consider that there are many farmers in Indonesia that can supply cocoa beans to the Group that meet its requirements. The Group has maintained good relationships with Indonesian farmers and selects its suppliers based mainly on the availability of the cocoa beans that meet the quality and quantity as required by the Group.

PRINCIPAL STRENGTHS

Major player in the cocoa beans trading industry in Indonesia

The Group has established itself as one of the major exporters of cocoa beans in Indonesia in terms of trading volume. According to INCA, for the year ended 31st December, 2004, the Group was the third largest exporter of cocoa beans in Indonesia, accounting for approximately 13.2% of the country's total export volume for that year.

Ability to source and sell cocoa beans at competitive prices

The Directors believe that the Group is one of the few purchasers in Indonesia who provides farmers with 50% advance payments for the purchase of cocoa beans. This is an important strategy of the Group in dealing with the farmers since the Directors believe that farmers will sell their better quality cocoa beans from their harvest at a more competitive price to purchasers who can provide a meaningful advance payment. In addition, the Directors believe that the Group's ability to place large orders with farmers also enables the Group to obtain more competitive prices from the farmers. By purchasing quality cocoa beans at competitive prices, the Group can offer its export customers, all of whom are established cocoa product suppliers, quality cocoa beans at attractive prices.

Good and stable relationships with a diversified base of farmers in Indonesia

The Group has been sourcing cocoa beans directly from farmers in Indonesia, since early 2001. For each of the three years ended 31st December, 2004 and the ten months ended 31st October, 2005, the Group sourced all its cocoa beans from over 800, 1,800, 1,900 farmers and 1,778, respectively. The Directors consider that there are many farmers in Indonesia that can supply cocoa beans to the Group that meet its requirements. Having direct access to such a diversified base of farmers allows the Group (i) to better control the quality and price of its purchases; (ii) to maintain a stable and reliable supply; and (iii) to improve its efficiency and cost effectiveness without going through intermediaries. The Group has not experienced any difficulty in sourcing cocoa beans during the Track Record Period and does not expect any such difficulty in future. The Group's ability to make advance payments and place large orders enhances relationships between the Group and the farmers. Furthermore, the Group also maintains good relationships with the farmers through the provision of certain value-added services. The Group provides farmers with, on an informal basis, general information on the cocoa market. Further, the Group assists farmers on an informal basis in improving the yield and quality of their cocoa beans harvests by arranging for education and training sessions for the farmers on topics such as improved farming, harvesting and after-harvesting work methods including fermentation and drying techniques. The good and stable relationships with a diversified base of farmers allows the Group to source products with the required quantity and quality that meet its customers' requirements.

Good and stable relationships with customers

The Group has maintained good and stable relationships with its overseas customers as evidenced by the Sales Agreements entered into between the Group and three of its customers, whereby these customers have agreed to purchase an aggregate annual minimum amount of 34,000 tonnes of cocoa beans from the Group for a further term of three years from October 2005 to October 2008. In addition, the Group has not experienced any customers' complaints or returned sales during the Track Record Period. The Directors believe that the Group's ability to provide its customers with quality cocoa beans at attractive prices and to provide quality and reliable service to these customers are important in becoming a long-term trading partner with its overseas customers since these customers are well established cocoa product suppliers who source cocoa beans all over the world.

Stringent quality control systems

The Group's quality control staff are involved in performing on-site quality control inspections of the cocoa beans purchased at the farmers' warehouses. The Group's quality control staff also undertake regular quality control inspections at the Group's warehouse and before shipment of products to customers. The Directors believe that the adoption of these stringent quality control procedures can ensure that the quality of the cocoa beans sourced from the farmers meets the customers' requirements. During the Track Record Period, the Group did not experience any customers' complaints or returned sales.

Strong industry background of the senior management team

Each of Mr. Judianto, Mr. Herkiamto and Mr. Zulfian has an average of over 11 years of experience in the cocoa industry and possess good relationships with both customers and suppliers of cocoa beans. Their relationships and knowledge in the cocoa beans industry have enabled the Group to rapidly increase its sales and profitability. The Directors believe that the Group can leverage on the expertise and business relationships of its senior management team to further develop its sales to existing customers and to diversify its customer base in the overseas markets.

BUSINESS OBJECTIVES

It is the Group's objective to become a leading player in the Indonesian cocoa industry. Given that the Group's sales have continued to increase since its establishment in December 1999 and the Group had entered into the Sales Agreements in October 2002 which have been renewed in October 2005, the Directors believe that the Group will continue to be one of the largest exporters of cocoa beans in Indonesia. To achieve the goal of becoming a leading exporter in the Indonesian cocoa industry, the Group will continue to expand its sales to existing customers and also source for new customers in the overseas markets. Building on its experience in the cocoa beans trading business, the Group intends to diversify eventually into other cocoa-related business, such as cocoa processing operations.

STRATEGIES

Expansion of trading volume

Achieving a larger share of the existing customers' business

From the year ended 31st December, 2002 to year ended 31st December, 2004, the Group experienced over two hundred percent turnover growth from the existing customers. However, the Directors believe that the sales to the existing customers merely accounted for a small portion of their respective total purchases of cocoa beans and will have room to achieve a larger share of the existing customers' business in the future. It is because each of these customers purchases cocoa beans from a number of other major cocoa beans producing countries. Given that: (i) the Group has been able to meet these customers' requirements and has not experienced any customers' complaints or return of goods during the Track Record Period; and (ii) three of the customers have committed to purchase an aggregate annual minimum amount of 34,000 tonnes of cocoa beans from the Group under the renewed Sales Agreements which were signed in October 2005, the Directors consider that the Group is well-positioned to strengthen its relationships with these customers and to achieve a larger share of their business.

The Group's sales and marketing department in the past only received orders from overseas customers on an "ad-hoc" basis. When the overseas customers placed orders with the Group, the Group and the customer will then agree on the selling price for that order. However, in order to achieve a larger share of the existing customers' business, the Group intends to: (i) regularly keep the customers abreast of the latest market developments in the Indonesian cocoa industry such as cocoa harvest and pricing information; (ii) adopt a more proactive approach by regularly calling its customers in relation to their purchase requirements; (iii) offer its customers more flexible credit terms; and (iv) consider offering its customers more competitive prices. In addition, the Group will also continue its stringent quality control and delivery systems in order to ensure that the Group can supply its customers with cocoa beans of the required quality and quantity.

This business objective was also set out in the GEM Prospectus dated 25th November, 2003. The Directors believe that from the financial results of the Group in the past few years, its objective has been realized and it will remain as one of the business objectives of the Group.

Focus on overseas market

This business objective was also set out in the GEM Prospectus dated 25th November, 2003 which stated that the Group intended to diversify its customer base into both overseas and domestic markets. However, Indonesia's cocoa industry is primarily geared for export. Historically, 70% of Indonesia's cocoa beans are exported. The reason is due to larger demands and consumption in the overseas market which makes sales to overseas market more viable and profitable as compared to the domestic market. Presently, the Company would continue to focus on the overseas markets only and forgo the development of sales in the domestic market.

In the year 2004, the Group's sales and marketing team/executive Directors had attended a few trade shows, exhibitions and conferences held in Europe and successfully obtained a new European client — Theobroma. However, in the past years, the Group encountered much difficulty in their application of visa for entry into US and some European countries. Therefore, far less trade shows, exhibitions and conferences have been attended than the Directors expected when the Company was listed on GEM in year 2003. The Group will continue to look for opportunities in the near future to attend trade shows, exhibitions or conferences relating to the cocoa industry. The sales and marketing team will also continue to search for new customers from the overseas markets.

The sales in the domestic market was not put in place because the demand in the domestic market was comparatively lower than that of the overseas markets. The targeted potential customers in the domestic market such as other cocoa bean traders and processing companies only purchase our product in very small quantities and at a very low price. The Directors found that development of sales to buyers in the domestic market became unprofitable and also believed that this situation would continue in the next few years. It was decided that it was not worthy to spend extra efforts and resources to develop and penetrate the domestic market at the present time.

Due to the aforesaid reasons, i.e. i) less trade shows, exhibitions and conferences have been attended by the Group; and ii) the sale in the domestic market was put on hold, the business objective of the sales and marketing team's expansion from 22 to 25 staff was not fully achieved. Nevertheless, in the future, the Group would hire additional staff for the team if necessary and in accordance to its business objectives as they are being put in place.

Expansion into cocoa processing operations

This business objective was also set out in the GEM Prospectus dated 25th November, 2003 which stated that the Group intended to diversify into other cocoa-related business and set up cocoa processing operations in Sulawesi in Indonesia and be completed by 31st December, 2004. It has not yet been achieved by the Group. It was mainly due to the 2004 legislative election and presidential election in Indonesia and the anticipation of massive waves of riots and protests against the government after the election campaign. Based on past experience, certain political uncertainties, riots and protests slow down all of the investment activities processes in Indonesia.

The Directors were aware of the 2004 election when the Company was preparing the GEM listing. It was anticipated that certain political uncertainties would arise during the election period. However, the general public believed that prior president, Megawati Sukarnoputri had a good chance of winning in this first ever direct presidential election. Therefore, the Directors had included expansion into cocoa processing operation as part of its business objectives. As the election date approached, the candidate Mr. Soesilo Bambang Yudhoyono generated much higher support and he eventually won the election campaign and his political party dominated a substantial number of seats in the parliament.

After the election process, the Board re-assessed the political environment and possible activity of the country led by the new party and president. The Directors believed that the degree of political and social uncertainties would be much higher than expected in year 2003. It was because the business community believed that the newly formed government may make and amend some laws which will lead to a major departure from existing policies and adversely affect the fiscal and economic conditions of Indonesia. There was also a higher possibility of social disorder created by the supporters of the losing parties who might challenge the election results.

The Directors considered that the cocoa processing operation would be a very substantial investment of the Group and involved a large amount of capital. As the Group had the responsibility to protect its Shareholder's capital and avoid taking unnecessary risks in carrying out the investment, the Company did not implement cocoa processing business under an unstable and conflicting views about Indonesia's political and economical environment in the past two years.

Although the cocoa processing business has been delayed in the past, after prudent consideration, the Directors believe that this business plan is still viable. It is because i) the political uncertainties in Indonesia have mostly been settled; ii) the economy and investment activities have resumed to a normal condition; and iii) the Group foresees strong economic growth in South America and the Asia Pacific countries, which will boost the growth of chocolate consumption in the regions and in turn, the demand for cocoa butter and cocoa powder. The Directors expect that such high demands would continue over the next ten years and beyond. Based on the aforesaid reasons, the Company still believes that the cocoa processing business could benefit the Shareholders on a long term basis and should continue to be one of the business objectives of the Group. The details are set out below:

Capitalising on the Group's experience and business relationships in the cocoa industry, the Directors consider that diversifying into cocoa processing operations would be a natural extension of its existing operations. The Directors consider that the vertical integration of cocoa beans trading and cocoa processing operations will allow the Group to further establish itself as one of the leading players in the Indonesian cocoa industry. The Group will expand into cocoa processing operations by construction of cocoa processing factory and, should the appropriate opportunity arise, through strategic merger or acquisition, alliance or other forms of cooperation with partners who are complimentary to the Group's expansion strategy. However, no such partner has yet been identified and the Group has not entered into any negotiations in this aspect.

Cocoa processing operations cover the activities of processing the cocoa beans to derive cocoa butter, cocoa cake and cocoa powder. Cocoa powder is an essential ingredient used as flavor in biscuits, ice-cream, dairy drinks and cakes. It is also used in the manufacture of coatings for confections or frozen desserts. Cocoa butter is the most expensive ingredient in chocolate manufacturing. Besides the traditional uses in the manufacture of chocolate and confections, cocoa butter is also used in the manufacture of pharmaceutical products, soap and cosmetics.

This value-added cocoa processing operation will enable the Group to produce specific semi-finished cocoa products for chocolate manufacturing. The Group can also expand its business into the trading of processed cocoa ingredients apart from cocoa butter, cocoa cake and cocoa powder to include cocoa liquor.

Conduct market research and feasibility studies

As part of the implementation plan for expansion into cocoa processing operations, the Group has conducted market research and feasibility studies, including research and studies on the equipments required, suppliers of the required equipments and the markets for cocoa butter and cocoa powder in the year 2004. After the completion of the studies, the Group has obtained two quotations from the equipment suppliers. The Directors have decided to purchase equipments for a cocoa processing plant with total capacity of 20,160 tonnes per year of cocoa butter and cocoa power. The equipments for this plant will have a fully automatic control system. Since the two quotations in relation to prices, terms, functioning and the quality of the equipments and final output are very close, the Directors would further negotiate the price and terms with those two equipment suppliers. The purchase offer is expected to be made by February 2006. The agreement with the successful supplier is expected to be signed in March 2006.

Construct factory and establish operations

The Company would set up cocoa processing operations in Makassar, Sulawesi in Indonesia which is near to the source of cocoa beans. By (i) leveraging on the Group's position as one of the major exporters of cocoa beans in Indonesia and the strong industry experience and business relationships of Mr. Judianto, Mr. Herkiamto and Mr. Zulfian; and (ii) recruiting a team of operation staff and consultants with the necessary experience in cocoa processing operations, the Directors believe that the Group is well-positioned to expand its own cocoa processing operations.

In year 2005, the Directors visited a few potential sites in Makassar and one of which has been identified by the Group as suitable for setting up cocoa processing factory. The location is near to the warehouse and the source of cocoa beans and its size is approximately 5 hectares. The Directors are currently negotiating the terms and price with the land owner. The land use rights agreement would be signed in the first quarter of year 2006.

Acquisition of the equipment and assembling of the cocoa processing operations should commence during the first quarter of year 2006 and to be completed in the first quarter of year 2007. The Group would set up one production line with an expected annual processing capacity of an aggregate of approximately 20,160 tonnes of cocoa butter and cocoa powder per year by the end of year 2007. The necessary equipment includes, amongst other things, a cleaning plant, a winnower, an alkalizing system, a roasting machine, grinders, and a cocoa butter press. Such cocoa processing machinery will require approximately 15,000 to 20,000 sq.m. of factory area.

Marketing and promotional activities

As part of the market research, well-established buyers of semi-processed cocoa products such as cocoa butter and cocoa powder in Europe and US have been identified and contacted. Their requirements as to the potential quantity and quality of the products required had been obtained. However, the sales and marketing team found that such well-established buyers are only willing to purchase small amounts of our semi-processed cocoa products. Therefore, the Company decided to switch its marketing focus to the existing customers and believe that they can absorb all of our production capacity every year.

In the first half of year 2005, the sales and marketing team has approached the existing customers, namely Unicom, ICBT, Orebi, Westermann and Theobroma to market our semi-processed cocoa products and obtained verbal confirmations from them that they would purchase our semi-processed cocoa products. The Company will keep marketing the semi-processed cocoa products to the existing clients and obtain their feedback and requirements of our products.

Also, the Group will keep approaching independent organizations such as INCA, FCC and ICCO to obtain information relating to the buyers of such products including their buying patterns and requirements. Based on this information, the Group could identify additional suitable potential customers for its semi-processed cocoa products in the future.

Expansion of warehouse capacity

In order to cope with the anticipated increase in the volume of its trading business, the demand of cocoa beans from the new cocoa processing operations and to ensure that its cocoa beans are stored in a warehouse with proper hygienic and ventilation conditions, the Group will construct an additional facility with advanced features for the storage of cocoa beans. The Group would increase its warehouse capacity by constructing a warehouse in Sulawesi, Indonesia to complement its existing rented warehouse to cater for the export market and cocoa processing operations.

The warehouse would be constructed in Sulawesi, Indonesia to enhance the efficiency for the transportation of cocoa beans from the farmers to the new warehouse in preparation for shipment to overseas customers from the port in Sulawesi. The warehouse will be equipped with better facilities than the existing warehouse leased by the Group, including a furnished office, a laboratory, a weight scale for trucks, improved lighting and ventilation, better hygienic conditions and prevention against flooding. The Directors regard cocoa trading and processing as a long-term business, therefore it is more appropriate for the Group to have its own warehouse which will provide proper storage conditions for its cocoa beans.

It is expected that the area of the new warehouse in Sulawesi will be at least equal to or larger than the area of the Group's existing warehouse (which has a floor area of approximately 4,608 sq.m.). The appropriate land for warehouse construction has been identified and the Directors are currently negotiating the terms and price with the land owner and the warehouse contractor. The land purchase and construction agreements will be signed in the first quarter of year 2006. The warehouse construction would start in the first quarter of year 2006 and be completed in the last quarter of year 2006.

This business objective was also set out in the GEM Prospectus dated 25th November, 2003 which stated that the Group would increase its warehouse capacity by i) purchasing and constructing a warehouse in Sulawesi to replace its existing rented warehouse to cater for the export market and cocoa processing operations and ii) purchasing and constructing a warehouse in Serang, Banten to cater for the domestic trading business. This was not achieved by the Group in the past. It was because i) the warehouse in Sulawesi is considered a part of the cocoa processing business and therefore, the expected completion time should match with the Group's expansion into cocoa processing operation and ii) as mentioned in the above paragraph, the sales in the domestic market was put on hold, therefore, the purchase or construction of the warehouse in Serang is no longer necessary.

Bases and assumptions

The Group operates in a rapidly changing industry. There can be no assurance that any of the Directors' view of the market potential of its business and various products will remain unchanged or be realised. Furthermore, there can be no assurance that any general or specific business objectives set out in this section will be attained, realised or remain unchanged over the periods referred to.

The Directors have assessed the potential of the market as identified in the Group's statement of active business pursuits and formulated strategies to achieve the Group's business objectives on the basis of past industry trends, as well as anticipated future growth and expected demand based on the Directors' past experience. The Directors have made the following principal assumptions in making such assessments and formulations:

1. The Group is not materially and adversely affected by any of the risk factors set out under the section headed "Risk factors" in this Listing Document.

2. The business objectives for each of the specified periods are stated on the basis that they may have to be revised or adjusted from time to time in light of factors such as changes in market conditions and whether the Group has successfully achieved its stated business objectives in the preceding period or periods. It has also been assumed that the Group does not experience any significant delay in achieving the stated business objectives in any of the specified periods.

3. The Group is not materially and adversely affected by any change in political, legal, fiscal or economic conditions in Indonesia.

4. The demand for the Group's products will be as anticipated by the Directors.

5. Suitable supply of cocoa beans will be available to the Group on terms acceptable to the Group.

If in the event that the above business objectives set out in this section would be further delayed, changed and/or not fully realised by the Group, the relevant information, details of the revised business objectives will be notified to the Shareholders by disclosure in the quarterly, interim and the annual financial reports. Further announcements would be made if the Directors find that it is appropriate.

REASONS FOR LISTING ON THE MAIN BOARD

Since the listing of the Shares on GEM on 2nd December, 2003, the business of the Group has grown steadily and the Company has improved its public profile. The Directors consider that listing of the Shares on the Main Board will further enhance the public profile and recognition from institutional investors, which will be beneficial and complementary to the future growth and development of the Group. The Directors also believe that the listing on the Main Board will further improve the image and recognition of the Group's products which would in turn be beneficial to the Group when it conducts its business and promotes its products.

TRADING RECORD

The following is a summary of the Group's consolidated audited results for the Track Record Period which has been extracted from the Accountants' Report set out in Appendix I to Listing Document. The consolidated 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 Listing Document.

		Year ended 31st December,			Ten months ended 31st October,	
		2002	**2003**	**2004**	**2005**	**2004**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*
Turnover		300,947	610,165	619,103	573,744	485,602
Cost of sales		(236,580)	(467,166)	(481,467)	(438,957)	(376,728)
Gross profit		64,367	142,999	137,636	134,787	108,874
Other income		644	2,268	3,420	7,185	2,580
Gain on disposal of fixed assets		—	12,200	—	29	—
Selling and distribution expenses		(1,073)	(2,243)	(2,478)	(2,179)	(1,993)
General and administrative expenses		(1,212)	(2,571)	(4,102)	(6,865)	(3,201)
Net exchange gain/(loss)	1	(1,972)	(5,475)	3,765	2,589	3,183
Profit from operations		60,754	147,178	138,241	135,546	109,443
Finance costs		(6,474)	(1,921)	—	—	—
Profit before taxation		54,280	145,257	138,241	135,546	109,443
Taxation	2	(16,561)	(55,483)	(41,629)	(39,805)	(33,109)
Profit attributable to Shareholders		37,719	89,774	96,612	95,741	76,334
Attributable to:						
Shareholders of the Company		37,719	85,275	91,694	90,813	72,447
Minority interests	3	—	4,499	4,918	4,928	3,887
		37,719	89,774	96,612	95,741	76,334
Dividends		—	8,000	—	—	—
Earnings per Share						
Basic, HK cents	4	6.7	14.6	11.5	10.3	9.1
Diluted, HK cents	5	6.1	13.4	10.7	9.7	8.5

Notes:

1. The net exchange loss of approximately HK$2.0 million for the year ended 31st December, 2002 resulted mainly from the trading operations of the Group and a foreign currency deposit. The net exchange gain/(loss) of approximately HK$(5.5) million, HK$3.8 million and HK$2.6 million for the years ended 31st December, 2003, 2004 and the ten months ended 31st October, 2005 respectively resulted mainly from the trading operations of the Group.

2. During the Track Record Period, all of the Group's profits were derived from Nataki. 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 consolidated income statements for the two years ended 31st December, 2002 represents the tax charge transferred from deferred taxation. For the years ended 31st December, 2003, 2004, and the ten months ended 31st October, 2005, taxation in consolidated income statements represents a provision for Indonesian corporate income tax of approximately HK$38.3 million, HK$41.6 million and HK$39.9 million respectively and a net tax charge transferred from deferred taxation of approximately HK$17.2 million, HK$5,000 and HK$(137,000) respectively. Further details of the taxation during the Track Record Period are set out in note 8 to the Accountants' Report in Appendix I to Listing Document.

3. Minority interests in the consolidated 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 Listing Document, 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.

4. The calculation of basic earnings per share for the ten months ended 31st October, 2005 is based on the profit attributable to shareholders of the Company and the weighted average number of 884,210,526 shares in issue during the ten months ended 31st October, 2005. The calculation of basic earnings per share for the year ended 31st December, 2004 and the ten months ended 31st October, 2004 is based on the profit attributable to shareholders of the Company and 800,000,000 shares in issue during the year ended 31st December, 2004 and the ten months ended 31st October, 2004.

   The calculation of basic earnings per share for the year ended 31st December, 2003 is based on the profit attributable to shareholders of the Company and the weighted average number of 582,356,164 shares (comprising 560,000,000 shares, being 1 share issued on the incorporation of the Company on 16th October, 2002, 99,999 shares as the consideration for the acquisition of the entire issued share capital of Dickinson on 23rd June, 2003 and adjusting for the capitalisation issue of 559,900,000 shares as referred to in the prospectus of the Company dated 25th November, 2003 and 22,356,164 shares, being the weighted average number of 240,000,000 shares issued to the placees on 28th November, 2003) in issue during the year ended 31st December, 2003.

   The calculation of basic earnings per share for the year ended 31st December, 2002 is based on the profit attributable to shareholders of the Company and the assumption that a total of 560,000,000 shares had been in issue during the year ended 31st December, 2002.

5. Diluted earnings per share for the ten months ended 31st October, 2005 is based on the profit attributable to shareholders of the Company and the weighted average number of 937,970,526 shares in issue during the period. The number of shares used in the calculation comprised 884,210,526 shares referred to in note 4 above and 53,760,000 shares assumed to have been issued at no consideration on the deemed exercise of the options under the Pre-IPO Share Option Scheme based on the fair value per share of HK$0.25.

Diluted earnings per share for the ten months ended 31st October, 2004 is based on the profit attributable to shareholders of the Company and the weighted average number of 854,250,000 shares in issue during the period. The number of shares used in the calculation comprised 800,000,000 shares referred to in note 4 above and 54,250,000 shares assumed to have been issued at no consideration on the deemed exercise of the options under the Pre-IPO Share Option Scheme based on the fair value per share of HK$0.32.

Diluted earnings per share for the year ended 31st December, 2004 is based on the profit attributable to shareholders of the Company and the weighted average number of 854,193,548 shares in issue during the year. The number of shares used in the calculation comprised 800,000,000 shares referred to in note 4 above and 54,193,548 shares assumed to have been issued at no consideration on the deemed exercise of the options under the Pre-IPO Share Option Scheme based on the fair value per share of HK$0.31.

Diluted earnings per share for the year ended 31st December, 2003 is based on the profit attributable to shareholders of the Company and the weighted average number of 636,709,105 shares in issue during the year. The number of shares used in the calculation comprised 582,356,164 shares referred to in note 4 above and 54,352,941 shares assumed to have been issued at no consideration on the deemed exercise of the options under the Pre-IPO Share Option Scheme based on the fair value per share of HK$0.34.

Diluted earnings per share for the year ended 31st December, 2002 is based on the profit attributable to shareholders of the Company and the assumption that 614,755,556 shares have been in issue during the year. The number of shares used in the calculation comprised 560,000,000 shares referred to in note 4 above and 54,755,556 shares assumed 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 VI to Listing Document, 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 the Company's prospectus dated 25th November, 2003 (the "Prospectus").

	Year ended 31st December,			**Ten months ended 31st October,**	
	2002	**2003**	**2004**	**2005**	**2004**
Key financial ratios					
Gross profit margin (%)	21.4	23.4	22.2	23.5	22.4
Net profit margin (%)	12.5	14.0	14.8	15.8	14.9
Return on total assets (%)	35.5	31.0	28.5	20.5	23.8
Return on equity (%)	83.6	37.3	30.8	N/A	N/A
Current ratio (times)	1.5	6.9	23.6	36.7	27.3
Quick ratio (times)	1.0	6.5	23.1	36.5	26.5
Inventory turnover (days)	31.1	9.8	4.1	1.7	5.7
Debtors' turnover (days)	45.6	46.5	49.1	43.7	54.4
Gearing ratio (%)	54.6	N/A	N/A	N/A	N/A
Net debt to net worth ratio (%)	93.2	N/A	N/A	N/A	N/A
Interest coverage (times)	9.4	76.6	N/A	N/A	N/A

RISK FACTORS

There are certain risks and considerations relating to the Group. These can be categorised into risks that relate to (i) the Group and its businesses; (ii) the industry; (iii) Indonesia; and (iv) the Shares. These risk factors and considerations are contained in the section headed "Risk factors" in Listing Document and are summarised as follows:

The Directors consider the business of the Group to be subject to a number of risk factors which can be categorised as follows:

Risks related to the Group and its businesses

- Reliance on export sales of cocoa beans
- Renewals of permits and business licenses
- Limited client base
- No assurance that cocoa processing operations will be successfully developed
- Natural disaster and weather conditions
- Reliance on key personnel
- Storage and transportation of cocoa beans
- Shipment of the Group's products
- Insurance
- Credit risks of farmers
- Unconfirmed tax position of the Group
- Protection against breach of the Sales Agreements by customers
- Seasonality of turnover
- Exposure to fluctuations of foreign exchange rates
- Currency conversion risks

Risks related to the industry

- Competition
- Price fluctuations of cocoa beans

Risks related to Indonesia

- Economic, social and political considerations

- Possible future restrictions on foreign ownership
- Tax on dividend distributions
- Risks relating to terrorist attacks and civil unrest
- Increase in fuel price

Risks related to the Shares

- Past dividends should not be used as a reference for the Company's future dividend policy
- Dilution of Shareholders' interests in the Company and public float through the exercise of options under the Pre-IPO Share Option Scheme, the Share Option Scheme and the Proposed Scheme Option Scheme