



**SATISFYING LISTING OBLIGATIONS:
COCOA PROCESSING COMPANY LIMITED**

The Ghana Stock Exchange, by a letter dated 29th August, 2017 notified Management of Cocoa Processing Company Limited of its suspension of trading in the shares of Cocoa Processing Company Limited. The reasons assigned for this state of affairs were as follows:

1. Non-submission of Annual Report containing the audited annual financial statements for 2015 and 2016 and the Financial Statement for Quarter 3 of 2017
2. Failure to conduct Annual General Meeting since 2015.

The above according to the Ghana Stock Exchange constituted a breach of the continuing listing obligations under rules 41 (2) and 42 of the GSE's Listing Rules.

The suspension was extended to 31st December 2018 with a notice that the Company would be delisted if it failed to discharge the above-named obligations.

We are pleased to announce that Cocoa Processing Company Limited has submitted to the Ghana Stock Exchange and to the Securities and Exchange Commission, its audited financial statements for the years 2015, 2016 and 2017.

On 27th December 2018 the Company successfully organized an ANNUAL GENERAL MEETING (AGM) of its shareholders to present the Audited Accounts of 2015, 2016 and 2017 which had been outstanding.

At the AGM Shareholders noted with gratitude that the Company, though not making profit has been reducing its losses steadily. In 2014 the Company recorded an operational loss of US\$12,111,647 this reduced to US\$3,903,451 in 2015. In 2016 the Company's operational losses amounted to US\$7,026,446 while the loss recorded in 2017 was US\$5,092,170. This reduction came about as a result of prudent measures taken by the new Management of CPC in order to turn around the Company.

You will recall that when the Company took its turn at the Facts-behind-the-figures, the Ag. Managing Director, Nana Agyenim Boateng I indicated that Management would concentrate its energy on dealing with operational constraints and challenges identified namely infrastructure and machinery, investment in the confectionery factory and improvement in the efficiency and effectiveness of operations while minimizing costs.

Management is in discussions with banks for some working capital to boost our operations and thereby our revenue earnings. The processing capacity of the company's two cocoa factories is 64,500mt of cocoa per annum. An audit of our machinery gave a performance assessment of 70%. Management intends to retool and replace obsolete machine parts to enable the cocoa factories operate at a 74.4% capacity ie 48,000mt

5MW ECT COCOA SHELL BASED STEAM POWER CO-GENERATION PLANT

In order to reduce the huge cost of electricity, diesel and LPG incurred by the Company together totaling GH¢2.0 per month Management intends to build a 5MW ECT cocoa shell-based steam power co-generation plant estimated at US\$9.0m with a pay-back period of less than eighteen (18) months. The Plant shall be designed to use cocoa shells, saw-dust, firewood, shell cake or rice husk as fuel and shall have a steam generation capacity of 25TPH at 67kg/cm² pressure and steam temperature of 490 degree Celsius.

We have already constructed six (6) depth bore-holes to reduce cost of water which comes up GH¢740,000 to GH¢1.0m per annum

CONSTRUCTION OF 6 (SIX) DRILLING WATER BOREHOLES

The company has constructed 6 (six) depth bore-holes to reduce huge cost of water which comes up to GH¢740,000 to GH¢1,000,000 per annum. The cost for these bore-holes and its associated connection total GH¢119,200. It is worthy to note that these bore-holes are now servicing the factory.

INVESTMENT IN THE CONFECTIONERY OPERATIONS

Within the last one year there has been a phenomenal increase in confectionery sales. There is so much interest and demand for Goldentree Chocolate, especially the customized chocolate. To enable us meet the growing demand and also reach other markets within the rest of Africa, Management intends to purchase additional chocomaster (moulding plant), three (3) new wrapping machines, a drinking chocolate plant and to rehabilitate the milling section of the Confectionery factory. The estimated investment required for this project is US\$8.5m. The project aims at increasing chocolate production.

EFFECTIVE MANPOWER UTILISATION AND OPERATIONAL MANAGEMENT

The Company has put in place measures to improve the effectiveness and efficiency of our operations through effective manpower utilization. We are presently working to;

- a. improve our Performance Management System (PMS) by signing Performance Contract as a means of rewarding and motivating the workforce.
- b. Improve operational capacities and efficiency to enhance market presence and market share.
- c. Implement plans to minimize cost and enhance revenue and through this generate enough working capital to replace and retool aging machinery to increase production capacity.

CONCLUSION

Cocoa Processing Company Limited is certainly on the road of recovery and will soon become a viable player on the Ghana Stock Exchange.

We have recently launched new Goldentree Chocolate products with improved packaging and formulations. Many of such new products will surely follow in the coming year.

We call for investor confidence in the company. The sky indeed is the limit to our plans to turn-around CPC.

NANA AGYENIM BOATENG (1)