

**CHINA ZENITH CHEMICAL GROUP LTD:
THINGS ARE GOING FROM BAD TO WORSE**

Would Anybody Like To Buy Some Bonds ?

Publicly listed China Zenith Chemical Group Ltd () (Code: 362, Main Board, The Stock Exchange of Hongkong Ltd) has announced that, for the six months, ended December 31, 2013, the Company suffered another period of heavy losses.

The rot never seems to stop, does it?

The Company lost about \$HK83.61 million, during the first half of the Current Financial Year, on a Turnover of about \$HK113.10 million (2012 – Loss: \$HK116.13 million; Turnover: \$HK183.28 million).

This Company, according to its Interim Report, is engaged in:

- (i) *The manufacture and sale of polyvinyl-chloride (“Polyvinyl-chloride”);*
- (ii) *The manufacture and sale of vinyl acetate (“Vinyl acetate”);*
- (iii) *The generation and supply of heat and power (“Heat and power”);*
- (iv) *The manufacture and sale of vitamin C, glucose and starch (“Vitamin C, glucose and starch”);*
and,
- (v) *The manufacture and sale of calcium carbide (“Calcium carbide”).*

China Zenith Chemical has not earned a cracker since the end of the 2011 Financial Year, ended June 30, 2011.

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, the aggregate losses of the past 30 months, to December 31, 2013, have more than expunged the entire Net Profits of the previous three Financial Years.

The following table is copied from **TOLFIN**’s database, reproduced by permission:

	Six Months, Ended December 31	Financial Year, Ended June 30				
	2013	2013	2012	2011	2010	2009
	All Figures Are Denominated in \$HK’000					
Turnover	113,095	297,446	213,791	1,415,414	1,381,342	1,095,614

Gross Profit/(Loss)	4,177	(323,324)	(440,933)	153,314	304,390	249,796
Net Profit/(Loss)	(83,607)	(324,897)	(406,164)	115,365	262,976	205,806

What appeared to have vastly exacerbated the situation at China Zenith Chemical, during the first half of the Current Financial Year, were the increased demands by creditors.

In respect of the first six months of the Current Financial Year, finance costs rose by about 214 percent, compared with the like period in 2012, from about \$HK3,623,000 to about \$HK11,361,000.

The matter of much-higher, finance costs, relative to the like six-month period of 2012, is not mentioned by Management in the Interim Report of this Company, but, under Note 6 to the Accounts, **TARGET** () observed that the Government of the People's Republic of China (PRC) awarded a Grant to the Company in the amount of \$HK3,308,000.

There was ... [CLICK TO ORDER FULL ARTICLE](#)

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