

**CHUNG HWA DEVELOPMENT HOLDINGS LTD:
IS IT BUST,
OR JUST UNABLE TO PAY ITS DEBTS AS THEY FALL DUE ?**

How the mighty have fallen!

At one time, not so very long ago, [Rich City International Packaging Ltd](#) was one of the 'giants' in the packaging industry in this part of the world.

There were even unofficial talks, held with its competitor, [Qualipak International Holdings Ltd](#), over the possibility of a merger of the complementary businesses.

That was long before Qualipak went public on The Stock Exchange of Hongkong Ltd, however.

Today, questions must be raised as to whether or not publicly listed [Chung Hwa Development Holdings Ltd](#), the parent company of Rich City, is a going concern.

It would appear, prima facie, that the Company is not solvent and that, unless its gets a shot of cash, in a hurry, it will be unable to pay its debts as they fall due ... technically, it appears to be insolvent, today, in any event.

Chung Hwa's announcement, on Monday night, with regard to its unaudited Final Results for the Financial Year, ended March 31, 1999, is a corker.

To summarise what this announcement stated, first:

	<i>1999 (Unaudited)</i>	<i>1998 (Audited)</i>
<i>Turnover</i>	\$HK116.44 million	\$HK327.54 million
<i>Operating Loss</i>	\$HK416.15 million	\$HK233.14 million
<i>Loss for the Year</i>	\$HK428.85 million	\$HK247.86 million
<i>Loss Per Share</i>	17.90 cents	15.30 cents

Under the Notes to the Accounts for 1999, it is stated that about \$HK197.89 million had been written off due to 'Capital losses on discontinuance of the Group's packaging business.'

Under the same Note (1), ... [CLICK TO ORDER FULL ARTICLE](#)