



ChongHerr

INVESTMENTS LTD

Company Announcement Office
ASX Limited

A.B.N.: 52 054 161 821

ANNOUNCEMENT TO THE MARKET

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APPENDIX 4E - PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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ChongHerr Investments Ltd is pleased to announce the financial result for the year ended 31 December 2018.

During the year of review, the company recorded a net operating profit of \$67,555 which was achieved through a reduction in operating costs.

The company's Appendix 4E report is attached and should be read together with the Annual Report 2018.

For further information, please contact Mr De Hui Liu on 07 3711 2088.

Dehui Liu
Managing Director
ChongHerr Investments Ltd
28 February 2019
Brisbane, Australia

CHONGHERR INVESTMENTS LTD
ABN 52 054 161 821

APPENDIX 4E - PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018
(Previous corresponding period year ended 31 December 2017)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Year ended 31.12.2018 (A\$)	Year ended 31.12.2017 (A\$)	Movement (A\$)	Movement (%)
Sales Revenue	1,142,446	1,220,431	-77,985	- 6
Profit/(loss)from ordinary activities after tax attributable to members	67,555	(1,046,525)	+1,114,080	+106
Net profit/(loss) for the period attributable to members	67,555	(1,046,525)	+1,114,080	+106

Dividends	Amount per share (cents)	Franked amount per share (cents)
Final dividend	-	-
Interim dividend	-	-
Previous corresponding period	-	-

Record date for determining entitlements to dividends: N/A

Commentary Notes

Operating Result

Total sales revenue for the year under review \$1,142,446, was solely generated from self production. Revenue is 6% lower than the comparative period (\$1,220,431) where 15% was received from revenue from a selfloading contractor.

Despite a slight drop in sales as compared to the previous year, the company has achieved savings in operating costs, resulting in an operating profit of

\$67,555 (2017: loss of \$1,046,525). In the 2017 year, quarry and reserve assets were impaired as a result of deteriorating market conditions, and the relinquishment of one of the EPMs together with the marginally higher operating costs.

The result from ordinary activities after tax (and the net result for the year) attributable to members is a profit of \$67,555 and resulted in basic earnings of 0.05 cents per share.

Financial Position

The financial statements have been prepared on a going concern basis that contemplates the continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2018, ChongHerr Group's consolidated statement of financial position shows total assets of \$2,189,304, total liabilities of \$508,090, and net assets of \$1,681,214. Current assets total \$554,769 and include current receivables of \$293,263. Current liabilities total \$345,060 and the recoverable amount of quarry and reserve assets is \$1,050,884.

The financial statements have been prepared on a going concern basis as the directors closely monitor the group's cash flow projections and working capital position and expect to meet the forecasted revenue and cash flow results. The directors believe that these are sufficient to continue to fund the Group's working capital requirements.

2018 Production Highlights

During the year approximately 1,600 tons of quality blocks were sold both in overseas and the local market, and 3,000 tons of premium boulders for construction in the local market.

Some rubbles and random boulders removed from the quarry to make way for rehabilitation were sold commercially and a considerable amount of the total revenue for the year.

Market Outlook 2019

While the recovery of the Chinese economy, for export sales, is still uncertain, it is forecasted that demands of sandstone from the local market will continue to grow.

A team of consultants has been employed to review the existing plant and machinery and re-engineer the current production processes for better

efficiencies to ensure we are able to meet larger demands and orders received. The re-engineered processes which are being undertaken, not only will reduce labour and fuel costs, but will also reduce the risk of respirable crystalline silica which has been a safety concern and a challenge to the quarry for many years.

With the confidence that the efficiency and productivity will be improved after the reengineering, the group sees no benefit in engaging self-loading contractors, and thus the earlier plan of sourcing a self-loading contractor will not be pursued.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per security as at 31 December 2018 is 1.29 cents (31 December 2017: 1.24 cents).

1. CHANGE IN COMPOSITION OF THE REPORTING ENTITY

ChongHerr Investments Ltd has not gained/lost control of any entity during the period.

2. DIVIDENDS

The directors do not recommend the payment of a dividend for the period. There is no dividend reinvestment plan in place.

3. DETAILS OF ASSOCIATES OR JOINT VENTURE ENTITIES

ChongHerr Investments Ltd has no associates or joint venture entities as at 31 December 2018.

4. FOREIGN ENTITIES

ChongHerr Investments Ltd is incorporated and domiciled in Australia.

5. FINANCIAL REPORT

This report is based on accounts which have been audited. The audited accounts will be released with Annual Report 2018 at the same time.

For further information contact: Mr De Hui Liu on 07 3711 2088.

A handwritten signature in black ink, appearing to be 'Dehui Liu' in a stylized cursive script.

Dehui Liu
Managing Director
CHONGHERR INVESTMENTS LTD

28 February 2019