



ChongHerr

INVESTMENTS LTD

11 February 2020

Ms Lauren Osbich
Compliance Adviser, Listings Compliance

Dear Ms Osbich,

A.B.N.: 52 054 161 821

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ChongHerr Investments Ltd ('CDH'): Appendix 4C Query

We acknowledge receipt of your letter dated 7 February 2020.

In relation to your request of information, we furnish as follows:

1. Does CDH expect that it will continue to have negative operating cash flows for the time being and. If not why not?

No, CDH does not expect that it will continue to have negative operating cash flows for the time being. The reasons are:

- a) CDH had resumed its production after restructuring its human resources in December 2019.
- b) CDH maintains good relationship with its long term- customers.
- c) CDH is receiving higher volume of orders from the customers and has started delivering the supplies.

2. Has CDH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps, or and how likely does it believe that they will be successful?

Yes, CDH has taken steps to raise further cash to fund for its operation. Mr Dehui Liu, Director of Company has already started injecting fund into the Company. In a recent Board meeting, he also agreed to continue provide unsecured loans to CDH to fund its operation, if required.

3. Does CDH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, CDH expects to continue its operations and to meet its objectives based on the strong networks of business and good relationship with its business partners.

- 4. Please confirm that CDH is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.**

CDH confirms its belief that it is in compliance with the Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.

- 5. Please confirm that CDH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CDH with delegated authority from the board to respond to ASX on disclosure matters.**

CDH confirms that the responses to the questions as per ASX's letter dated 7th February 2020 had been authorised and approved by the Board in accordance with its published continuous disclosure policy to respond to ASX on the questions 1-4 above.

Based on the above responses, CDH can confirm that it is complying with Listing Rule 12.2 and that it is adequate to warrant the continued quotation of its securities and its continued listing.

On behalf of the Directors

Yours truly,



Densen Liu
CEO / Chairman
ChongHerr Investments Limited



7 February 2020

Reference: ODIN13664

Ms Sophia Kong
Company Secretary
Chongherr Investments Ltd

By email: sophia@chongherr.com.au

Dear Ms Kong

Chongherr Investments Ltd ('CDH'): Appendix 4C Query

ASX refers to CDH's Appendix 4C quarterly report for the period ended 31 December 2019 lodged with the ASX Market Announcements Platform and released on 3 February 2020 (the 'Appendix 4C').

ASX notes that CDH has reported:

- negative net operating cash flows for the quarter of \$22,000;
- cash at the end of the quarter of \$1,000; and
- estimated cash outflows for the next quarter of \$150,000.

It is possible to conclude, based on the information in the Appendix 4C, that if CDH were to continue to expend cash at the rate indicated by the Appendix 4C, CDH may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks CDH to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does CDH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CDH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CDH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that CDH is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that CDH's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CDH with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that CDH considers may be relevant to ASX forming an opinion on whether CDH is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4 PM AEST Tuesday, 11 February 2020**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in CDH's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CDH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to CDH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CDH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CDH's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Lauren Osbich
Compliance Adviser, Listings Compliance (Sydney)