



**ChongHerr**

INVESTMENTS LTD

## ANNOUNCEMENT TO THE MARKET

A.B.N.: 52 054 161 821

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### **APPENDIX 4E - PRELIMINARY FINAL REPORT** **FOE YEAR ENDED 2019**

ChongHerr Investments Ltd is pleased to announce the financial result for the year ended 31 December 2019.

It has been another challenging year for the Company. It records a loss of \$429,108, which is brought by the decrease in production. Sales for the year are \$333,161, a decrease of 71% from the previous year.

The company's Appendix 4E report is attached.

Mr De Hui Liu  
Managing Director  
ChongHerr Investments Ltd  
28 February 2020  
Brisbane, Australia

## **APPENDIX 4E**

### **PRELIMINARY FINAL REPORT**

#### **CHONGHERR INVESTMENTS LTD** **ABN 52 054 161 821**

##### **1. REPORTING PERIOD**

**Current period : Year ended 31 December 2019**

**Previous corresponding period : Year ended 31 December 2018**

##### **2. Results for annoucement to the market**

Sale Revenue	Down	71%	to	333,161
Loss from ordinary activiteis after tax attributable to members	Down	735%	to	(429,108)
Net loss for the period attributable to members	Down	735%	to	(429,108)

Dividens	Amount per share (cents)	Franked amount per share (cents)
Final dividend	-	-
Interim dividend	-	-
Precious corresponding period	-	-

Record date for determining etitlements to dividends: N/A

## CHONGHERR INVESTMENTS LTD

### 3. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		<b>CONSOLIDATED</b>	
		2019	2018
		\$	\$
<b>Revenue</b>			
Sale of goods		333,161	1,142,446
Cost of sales		(364,998)	(712,808)
<b>Gross (loss)/profit</b>		(31,837)	429,638
Other income	(i)	22,011	79,248
Selling and distribution expenses		(189,767)	(208,665)
Corporate and administration expenses		(219,203)	(230,318)
Impairment of trade receivables		(4,433)	-
Finance costs	(b)	(7)	(777)
Other expenses		(5,872)	(1,571)
<b>(Loss)/Income before tax</b>		(429,108)	67,555
Income tax expense		-	-
<b>(Loss)/Income after tax</b>		(429,108)	67,555
Other Comprehensive Income		-	-
<b>Total Comprehensive (Loss)/Income</b>		(429,108)	67,555

# CHONGHERR INVESTMENTS LTD

	<b>CONSOLIDATED</b>	
	2019	2018
	\$	\$
<hr/>		
<b>Revenue from contracts with customers</b>		
<b>Disaggregated revenue information</b>		
Set out below is the disaggregation of the Group's revenue from contracts with customers		
Sale of sandstone products	333,161	1,142,466
<b>Total revenue from contracts with customers</b>	<b>333,161</b>	<b>1,142,466</b>
<b>Geographical markets</b>		
Australia	153,182	966,449
South-east Asia	179,979	175,997
<b>Total revenue from contracts with customers</b>	<b>333,161</b>	<b>1,142,466</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	333,161	1,142,466
<b>Total revenue from contracts with customers</b>	<b>333,161</b>	<b>1,142,466</b>
 <b>(i) Other income</b>		
Other interest income	5,167	2,752
Freight Income	272	6,185
Refund from fuel tax credit	16,572	70,311
	<b>22,011</b>	<b>79,248</b>
 <b>(a) Expenses</b>		
Depreciation of plant and equipment	51,569	58,141
Amortisation of quarry and resources	6,491	34,015
Quarry restoration provision	4,841	2,973
Impairment trade receivables	4,433	-
 <b>(b) Finance costs</b>		
Interest expense on financial liabilities at amortised cost:		
Other borrowings	7	1
Finance charges payable under finance leases	-	776
<b>Total finance costs</b>	<b>7</b>	<b>777</b>

# CHONGHERR INVESTMENTS LTD

## 4. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	<b>CONSOLIDATED</b>	
	2019	2018
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,410	121,205
Trade and other receivables	89,295	293,263
Inventories	85,751	117,306
Prepayments	23,291	22,995
<b>Total Current Assets</b>	<b>199,747</b>	<b>554,769</b>
<b>Non-current Assets</b>		
Other financial assets	173,095	219,789
Property, plant and equipment	352,611	349,251
Quarry and reserves	1,044,393	1,050,884
Exploration & evaluation assets	14,611	14,611
<b>Total Non-current Assets</b>	<b>1,584,710</b>	<b>1,634,535</b>
<b>TOTAL ASSETS</b>	<b>1,784,457</b>	<b>2,189,304</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	321,043	290,304
Provisions	43,437	54,756
<b>Total Current Liabilities</b>	<b>364,480</b>	<b>345,060</b>
<b>Non-current Liabilities</b>		
Provisions	167,871	163,030
<b>Total Non-current Liabilities</b>	<b>167,871</b>	<b>163,030</b>
<b>TOTAL LIABILITIES</b>	<b>532,351</b>	<b>508,090</b>
<b>NET ASSETS</b>	<b>1,252,106</b>	<b>1,681,214</b>
<b>EQUITY</b>		
Issued capital	18,373,250	18,373,250
Accumulated losses	(17,121,144)	(16,692,036)
<b>TOTAL EQUITY</b>	<b>1,252,106</b>	<b>1,681,214</b>

# CHONGHERR INVESTMETNS LTD

## 5. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	<b>CONSOLIDATED</b>	
	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	551,753	1,381,868
Payments to suppliers and employees	(685,265)	(1,227,698)
Finance costs	(7)	(777)
Interest received	5,387	778
Receipts from fuel credit refund	16,572	70,311
<b>Net cash (used in)/ flows from operating activities</b>	<b>(111,560)</b>	<b>224,482</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(54,929)	(816)
Investments used in other financial assets	(4,324)	(144,882)
Proceeds from other financial assets	51,018	-
<b>Net cash flows (used in) investing activities</b>	<b>(8,235)</b>	<b>(145,698)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	-	(28,238)
<b>Net cash flows (used in) financing activities</b>	<b>-</b>	<b>(28,238)</b>
Net (decrease)/increase in cash and cash equivalents	(119,795)	50,546
Cash and cash equivalents at beginning of period	121,205	70,659
<b>Cash and cash equivalents at end of period</b>	<b>1,410</b>	<b>121,205</b>

## CHONGHERR INVESTMENTS LTD

### 6. DIVIDENDS

#### *Amount per security*

	Amount per security	Franked amount per security at 27.5% tax	Amount per security of foreign source dividend
	(cents)	(cents)	(cents)
Final dividend			
-current year	-	-	-
-previous year	-	-	-
Interim dividend			
-current year	-	-	-
-previous year	-	-	-

#### *Total Dividends on all securities for the year*

	<b>2019</b> <b>(\$'000)</b>	<b>2018</b> <b>(\$'000)</b>
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

### 7. DIVIDEND REINVESTMENTS PLANS

There is no dividend reinvestment plan in operation during the financial year.

### 8. RETAINED EARNINGS

	<b>2019</b> <b>(\$'000)</b>	<b>2018</b> <b>(\$'000)</b>
(Accumulated losses) at beginning of financial period	(16,692)	16,760
Net (loss)/profit attributable to members	(429)	68
(Accumulated losses) at end of financial period	(17,121)	(16,692)

## **CHONGHERR INVESTMENTS LTD**

### **9. NET TANGIBLE ASSETS**

	<b>2019 (cents)</b>	<b>2018 (cents)</b>
Net tangible asset backing per ordinary share	0.96	1.29

### **10. Details of entities over which control has gained or lost**

n/a

### **11. Details of associates and joint venture entities**

n/a

### **12. Any other significant information**

There is no other significant information at the time of reporting

### **13. Accounting standards**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards ( including Australian Accounting interpretations ) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

### **14. Results for the period**

#### **14.1 Earnings per security**

	<b>2019 (cents)</b>	<b>2018 (cents)</b>
Basic earnings per share	(0.33)	0.05
Diluted earnings per share ( if materially different)		
Weighted average number of ordinary shares for basic earnings per share	130,207,396	130,207,396

#### **14.2 Returns to shareholders**

n/a

#### **14.3 Significant features of operating performances**

The suspension of quarry operations in the second half year has significantly decreased the production and sales.



## CHONGHERR INVESTMENTS LTD

### 14.4 SEGMENT INFORMATION

	<i>South-east Asia</i> \$	<i>Australia</i> \$	<i>Total</i> \$
<b>31 December 2019</b>			
External revenue	153,182	179,979	331,161
Other revenue	-	16,844	16,844
Interest income	-	5,167	5,167
Interest expense	-	(7)	(7)
Depreciation and amortisation	-	(58,060)	(58,060)
Reportable segment (loss) before income tax	(17,346)	(21,560)	(38,906)
Unallocated corporate expense			
-Employee benefits			(300,645)
-All other costs			(89,557)
Consolidated (loss) before income tax			(429,108)
<b>31 December 2018</b>			
External revenue	175,997	966,449	1,142,446
	-	76,496	76,496
Interest income	-	2,752	2,752
Interest expense	-	(777)	(777)
Depreciation and amortisation	-	(92,156)	(92,156)
Reportable segment profit before income tax	66,792	397,778	464,570
Unallocated corporate expenses			
-Employee benefits			(298,910)
-All other costs			(98,105)
Consolidated profit before income tax			67,555

# CHONGHERR INVESTMENTS LTD

## SEGMENT INFORMATION ( Cont.)

	<i>South-east Asia</i>	<i>Australia</i>	<i>Total</i>
	\$	\$	\$
<b>31 December 2019</b>			
Segment assets	83,367	1,701,090	1,784,457
Unallocated assets			-
Total assets			1,784,457
Segment liabilities	-	532,351	532,351
Unallocated liabilities			-
Total liabilities			532,351
Other material non-cash items:			
	-	-	-
Capital expenditure	-	54,929	54,929
<b>31 December 2018</b>			
Segment assets	199,847	1989,457	2,189,304
Unallocated assets			-
Total assets			2,189,304
Segment liabilities	-	508,090	508,090
Unallocated liabilities			-
Total liabilities			508,090
Other material non-cash items:	-	-	-
Capital expenditure	-	816	816

The revenue reported above represents revenue generated from external customers on the basis of geographical location of customer. There were no intersegmental sales during the reporting periods.

Segment result represents the profit earned by each segment without allocation of corporate/administration cost and finance costs. All assets and liabilities are allocated to reportable segments on the basis of geographical location.

## **CHONGHERR INVESTMENTS LTD**

### **14.5 Trends in performance**

Revenue has decreased compared to the previous period because of the restructuring of human resources and temporary suspension of the production.

### **14.6 Any other factors which have affected the results in the period which are likely to affect the result in the future, including those where the effect could not be quantified:**

n/a

### **15. This report is based on the accounts which are in the process of being audited.**

### **16. Description of any likely audit dispute or qualification**

n/a



Mr Dehui Liu  
Managing Director  
CHONGHERR INVESTMENTS LTD

28 February 2020