

30 July 2021



ChongHerr

INVESTMENTS LTD

ASX Announcement

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QUARTERLY ACTIVITIES REPORT
30 June 2020

ChongHerr Investments Limited (CDH) provides the following quarterly activities report for the quarter ended 30 June 2020.

▪ **PRODUCTION**

There were no mining activities carried out during the quarter and hence no production was recorded.

▪ **SALE**

101 tons of boulders were sold for \$0.009m during the period.

▪ **CASH FLOW SUMMARY**

Cash flows from customers for the quarter were \$0.020m. The Company received government incentives for jobKeeper and cash flow boost totalling \$0.072m during the quarter. Cash outflows on expenditures during the quarter totalled \$0.121 which were attributed to staff costs including director fees (\$0.104m), production and manufacturing expenses (\$0.005m) and administrative expenses (\$0.012m). Net operating cash outflows for the quarter was \$0.029m.

To assist with working capital requirements, the current managing director Mr Dehui Liu, provided a no-interest unsecured loan of \$0.03m to CDH during the quarter.

The Company's cash balance as at 30 June 2020 was \$0.025m.

- **CORPORATE OUTLOOK**

Impacted by the unprecedented outbreak of pandemic, the Board had decided to temporarily suspend production operation on 24 March 2020. The Board continued to review its strategies amid the difficult time, aiming to bring back the operation as soon as possible.

- **OTHER DISCLOSURE**

Payments to related parties and their associates during the quarter amounted to \$0.038million. These payments related to Director fees as outlined in section 6 of the Appendix 4C appended below.

This announcement to ASX has been authorised for release by the board, ChongHerr Investments Limited

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ChongHerr Investments Ltd

ABN

52054161821

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....6..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	20	62
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(5)	(30)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(104)	(205)
(f) administration and corporate costs	(12)	(29)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	72	74
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(29)	(128)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....6..months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	30	152
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	30	152

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	24	1
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(29)	(128)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....6..months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	30	152
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	25	25

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	25	24
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25	24

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	38
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	152
7.4	Total financing facilities	152
7.5	Unused financing facilities available at quarter end	See note 7.6 below
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
7.3	<p>The Board has agreed that Mr Dehui Liu to provide no-interest, unsecured loan to CDH to fund its working capital requirements, when needs arise, up to 31.12.2021. No repayment of the loan is required before 01.01.2022. If the loan is not fully settled on 01.01.2022, the terms of the loan will be revised on 01.01.2022, subjected to Board's approval. Mr Dehui Liu had provided a total of \$151,000, including \$30,000 during the quarter, of such loan to CDH.</p> <p>A staff had loaned to CDH \$1,000 for emergency spending in the previous quarter.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9) (29)
8.2	Cash and cash equivalents at quarter end (item 4.6) 25
8.3	Unused finance facilities available at quarter end (item 7.5) 0
8.4	Total available funding (item 8.2 + item 8.3) 25
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) -0.86
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
<p>Answer: Yes. CDH has no operation since March 2020 and has taken steps to minimise its operating cash outflows.</p>	

8.6.2 Has the entity 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?

Answer: In the last two quarters, the current managing director Mr Dehui Liu has provided no-interest unsecured loan totalling \$151,000 to CDH and also agreed to provide further assistance if needs arise. The CDH directors are also in discussions in relation to potential transactions that may involve capital raisings by CDH. CDH proposes to provide further details to ASX in relation to those potential transactions as they materialise.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The directors expect that CDH will be able to continue its operations and to meet its business objectives on the basis that:

- a) Montgomery Mine owned by CDH still have abundant of resources in good quality sandstones
- b) Sandstone blocks/ boulders have been on great demands from both local and overseas markets
- c) CDH had operated for many decades and it maintains good relationship with and receives good supports from its stakeholders.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 July 2021.....

Authorised by:Board of Director, ChongHerr Investments Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here:

"By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.