

Company Announcement Office
ASX Limited



ANNOUNCEMENT TO THE MARKET

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APPENDIX 4E - PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 2014

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ChongHerr Investments Ltd is pleased to announce the financial result for the year ended 31 December 2014.

It has been another challenging year for the Company which shows a loss of \$1,919,301, which is largely attributable to an impairment of loan receivable of \$1,831,899, owed to the group by an unrelated parties. Sales revenue decreased by 57% to \$729,140 for the full year.

The company's Appendix 4E report is attached and should be read together with Annual Report 2014.

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

A handwritten signature in blue ink, appearing to read '刘德辉' (Liu De Hui).

Mr De Hui Liu
Managing Director
ChongHerr Investments Ltd
27 February 2015
Brisbane, Australia

CHONGHERR INVESTMENTS LTD
ABN 52 054 161 821

APPENDIX 4E - PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014
(Previous corresponding period year ended 31 December 2013)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Year ended 31.12.2014 (A\$)	Year ended 31.12.2013 (A\$)	Movement (A\$)	Movement (%)
Sale Revenue	729,140	1,704,933	(975,793)	-57
Loss from ordinary activiteis after tax attributable to members	(1,919,301)	(511,684)	(1,407,617)	275
Net loss for the period attributable to members	(1,919301)	(511,684)	(1,407,617)	275

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

Commentary Notes

Operating Result

Sales revenue for the periods totals \$729,140 representing a decrease of 57% as compared with the previous corresponding period (year ended 31 December 2013).

The result from continuing ordinary activities after tax (and the net result for the period) attributable to members is a loss of \$1,919,301. The negative trading result has come about from the effect of the impairment of a loan receivables owed to the

group due from an unrelated party. The operating of the year resulted in dilution of 1.66 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 2014 the ChongHerr Group's consolidated statement of financial position shows total assets of \$3,431,191 total liabilities of \$1,043,126, and net assets of \$2,388,065. Current assets total \$551,629 and include current receivables of \$402,360. Current liabilities total \$738,177.

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.
- The directors expect that Shenzhen Helidon and Yunfu Stone company will repay the amounts owing in line with the group's cash flow forecasts

2014 Production Highlights

Amidst the economy slow down, the group has halted its self- production during year while seeking to recruit dynamic personnel and reviewing its operational plan for better efficiency. The company has now resumed its full operation and continued to increase its profile in both the domestic market and export market. The continuing contribution of a sub-contractor within the quarry with large boulders and crushed rock contracts in place has contributed to most of the production during the year and a more economical utilisation of waste sandstone.

While the group continues to maintain close relationship with its long term distribution partner in China, Shenzhen Helidon Sandstone, the group is also establishing new relationship with other companies to expand its sale networks overseas and also to diversify its business risks.

Market Outlook 2015

After many years of investing in marketing in China, the group is starting to receive direct order of sandstone from Chinese customers in addition to the contracts with the distributing partners in China. Demand of sandstone in 2015 would therefore be promising.

It is worth noting that whilst working with our customers in China provides the company with excellent opportunities to export large quantities of Sandstone, the

company's products are primarily used in large scale projects which are often subject to financing in their local marketplace. The timing of financing and therefore the start dates of these projects or the timing of funding of work in progress can therefore be influenced by the availability of credit from local financial institutions. This in turn is influenced by government policy with regard to financial institutions ability to grow their lending. It is our experience that this situation can lead to delays in projects beginning and much longer payment periods for our products than would be the standard for our domestic marketplace. For this reason it has always been of strategic importance to the company to have very strong relationships in place with our clients and in particular to work very closely with our distributors for our products in China.

Chongherr Investments Ltd continues to invest resources into marketing its products through sales representation in major cities throughout China and it continues to benefit from a strong reputation for its service and quality.

The domestic marketplace will require constant evaluation of production strategies and product offering to ensure consistent supply to customers. The company is optimistic that demand for its products within Australia will be strong in 2015.

Share-buyback and Share issuance

To cut the administrative costs in maintaining large number of small shareholders, the group carried out unmarketable share buyback which resulted in 1,401,556 shares bought back and cancelled. On the other hand \$170,000.00 (17,000,000 shares at 1 cent per share) was raised to enhance its operating activities.

1. NET TANGIBLE ASSET BACKING

Net tangible asset backing per security as at 31 December 2014 is 1.7 cents (31 December 2013: 3.5 cents).

2. CHANGE IN COMPOSITION OF THE REPORTING ENTITY

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

3. DIVIDENDS

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

4. DETAILS OF ASSOCIATES OR JOINT VENTURE ENTITIES

ChongHerr Investments Ltd has no associates or joint venture entities as at 31 December 2014.

5. FOREIGN ENTITIES

ChongHerr Investments Ltd is incorporated and domiciled in Australia.

6. FINANCIAL REPORT

This report is based on accounts which are in the process of being audited. The audited accounts will be released with Annual Report 2014 at the same time.

It is also likely that the audit opinion will include an emphasis of matter paragraph in relation to the ability of the company to continue as a going concern.

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



Mr Dehui Liu
Managing Director
CHONGHERR INVESTMENTS LTD

27 February 2015