



ChongHerr Investments Limited Results for December 2004

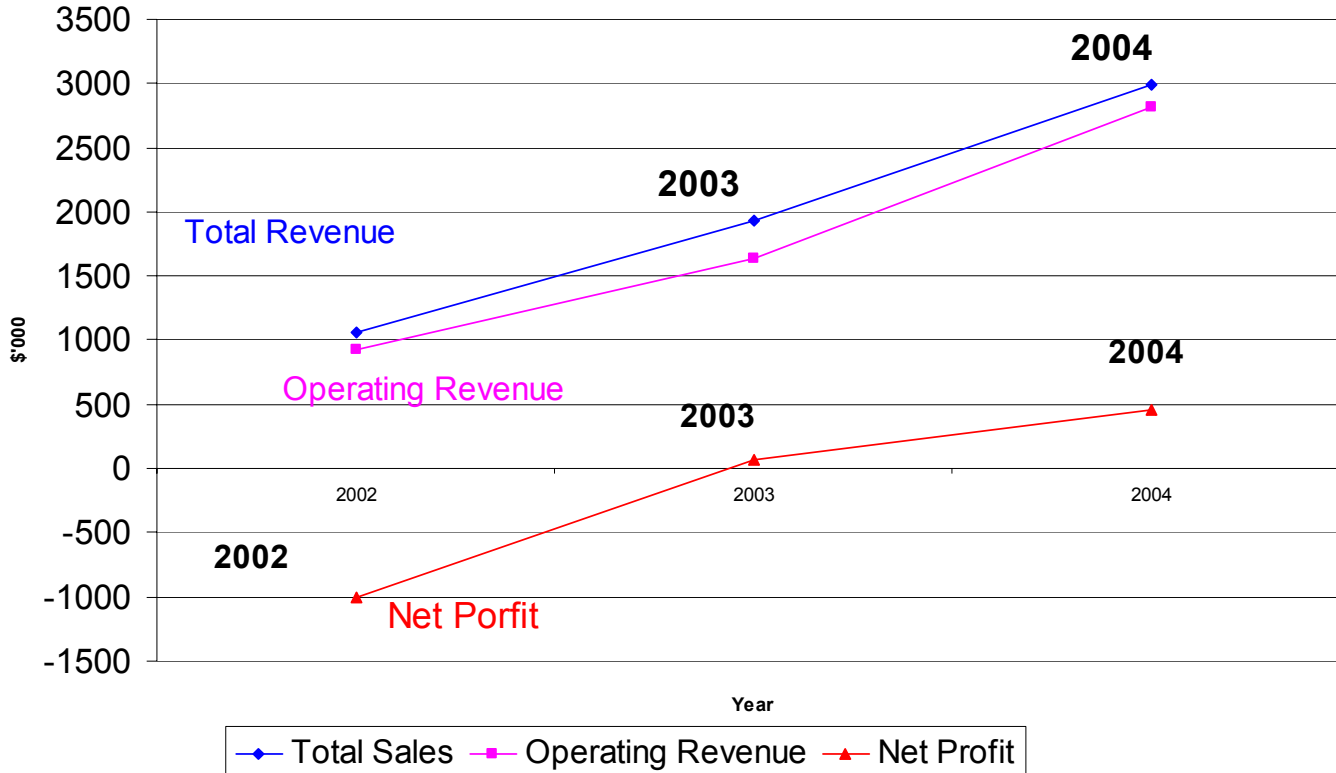
AGM Presentation by Mr Robert Edgley
On Behalf of Mr Densen Liu
Managing Director
ChongHerr Investments Limited

2004 Highlights

- Significant improvement in overall performance as a result of highly focused, on-going effort from the Board and senior management;
- China demonstrates huge market potential and continues to be the sales focus;
- Strong export sales due to marketing success in China leading to increased demand for products ;
- Net Profit increase due to
 - increased export revenue, and
 - improved gross margin (from 55% to 71%);
- Production costs in line with last period despite expanded production scale. Introduction of new cutting technique leading to improved efficiency as a result of higher block recovery rate;

2004 Financial Highlights continued

Sales & Revenue Growth: 2002 to 2004

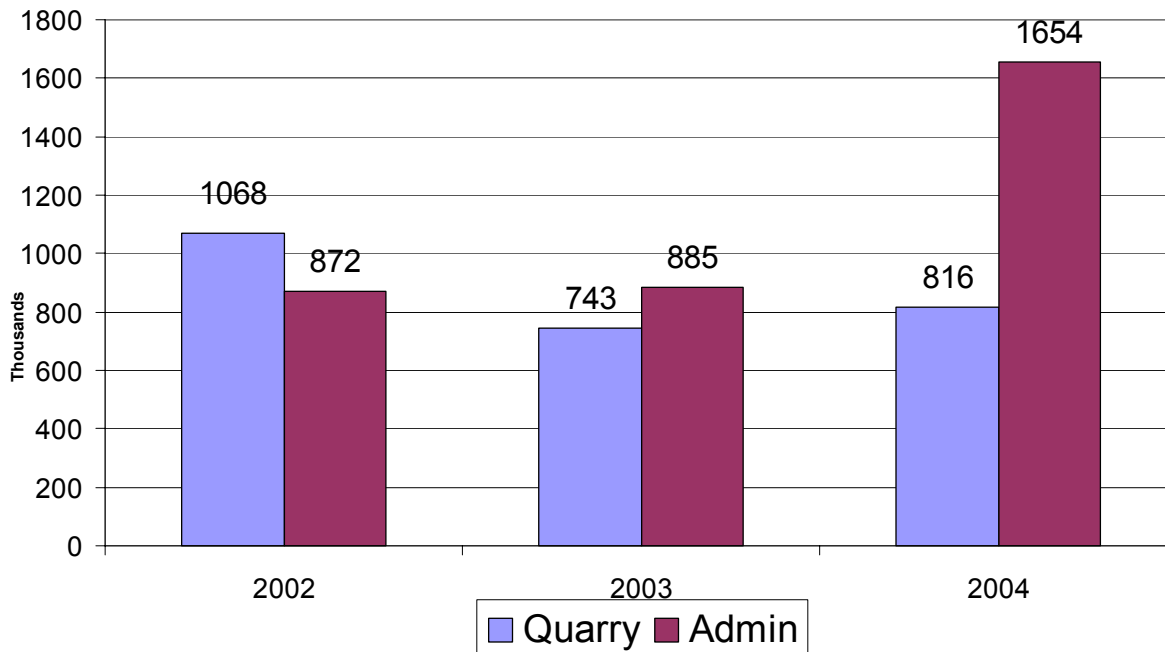


- Operating Revenue up by 73% to 2.88 million;
- Total revenue up by 54% to 2.99 million;
- Net Profit after Tax up by 600% to over 460K from 65K;

2004 Financial Highlights continued

Expenses: 2002 to 2004

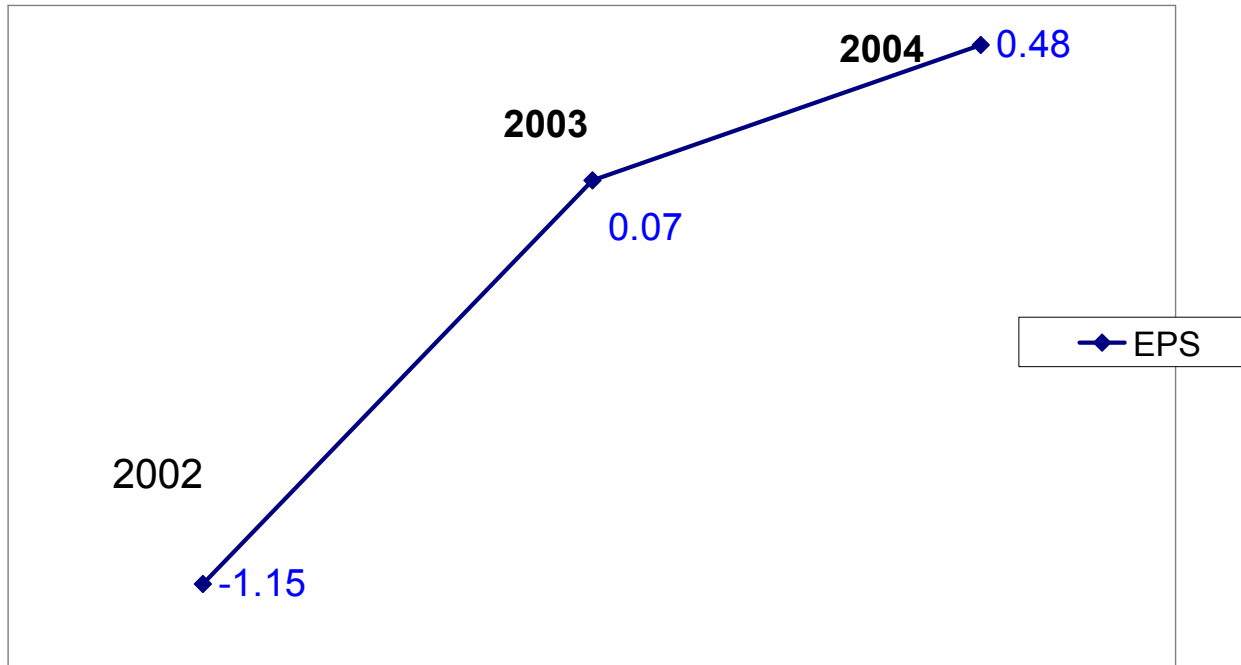
Quarry and Admin Expenses: 2002 - 2004



- Minor increase in quarry expenses despite production scale expansion;
- Large increase in admin expenses due to overseas marketing and sales expenses.

2004 Financial Highlights continued

EPS Growth: 2002 - 2004



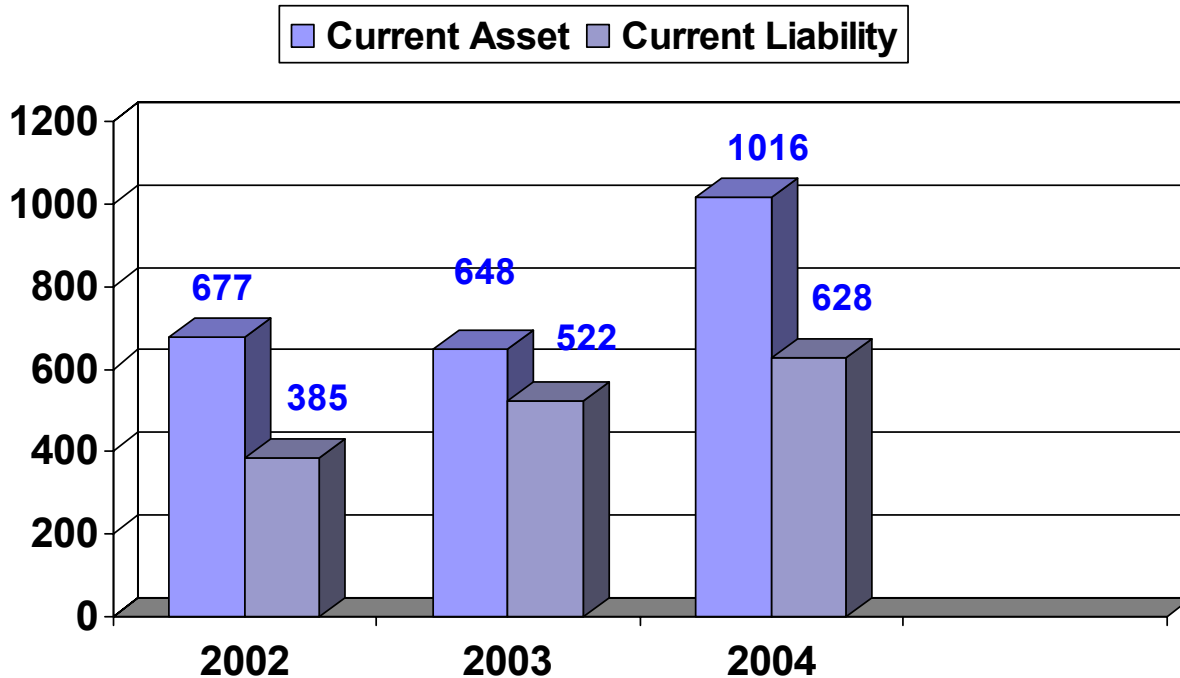
EPS up to 0.48 cents from 0.07 cents, an increase of 586%;

2004 Financial Highlights continued

- Maintained a strong balance sheet with improved liquidity and long term stability;
- Net equity continues to grow due to capital investment in mining lease assets and quarrying equipment, as well as debt repayments;
- Raised additional capital of over \$500K through private placement and rights issue, funds were used to repay debt and strengthen working capital.

2004 Financial Highlights continued

Liquidity 2002 - 2004



Current Ratio

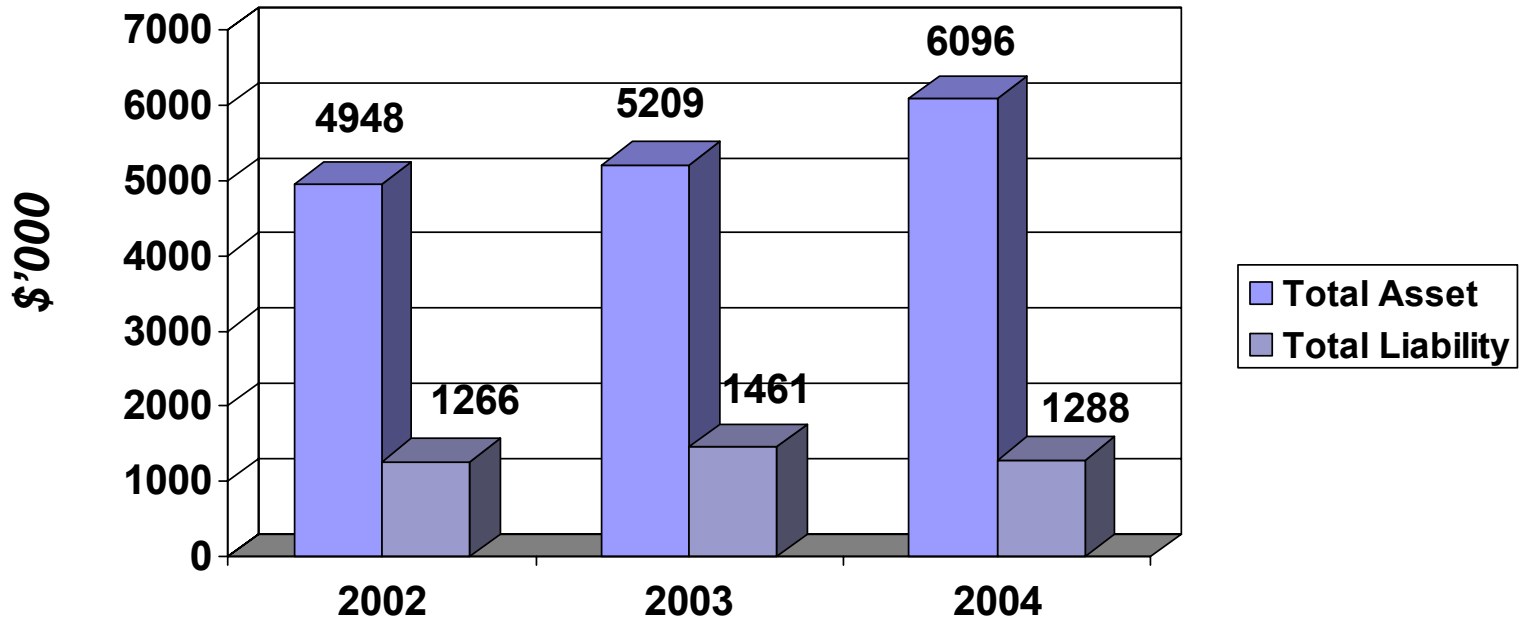
2002	2003	2004
1.76	1.24	1.62

Total current assets increased by 57% to 1m resulting from

- An increase in cash assets due to stronger cash flows especially from operating activities;
- An increase in receivables due to increased sales in second half of 2004.

2004 Financial Highlights continued

Long Term Stability: 2002 - 2004

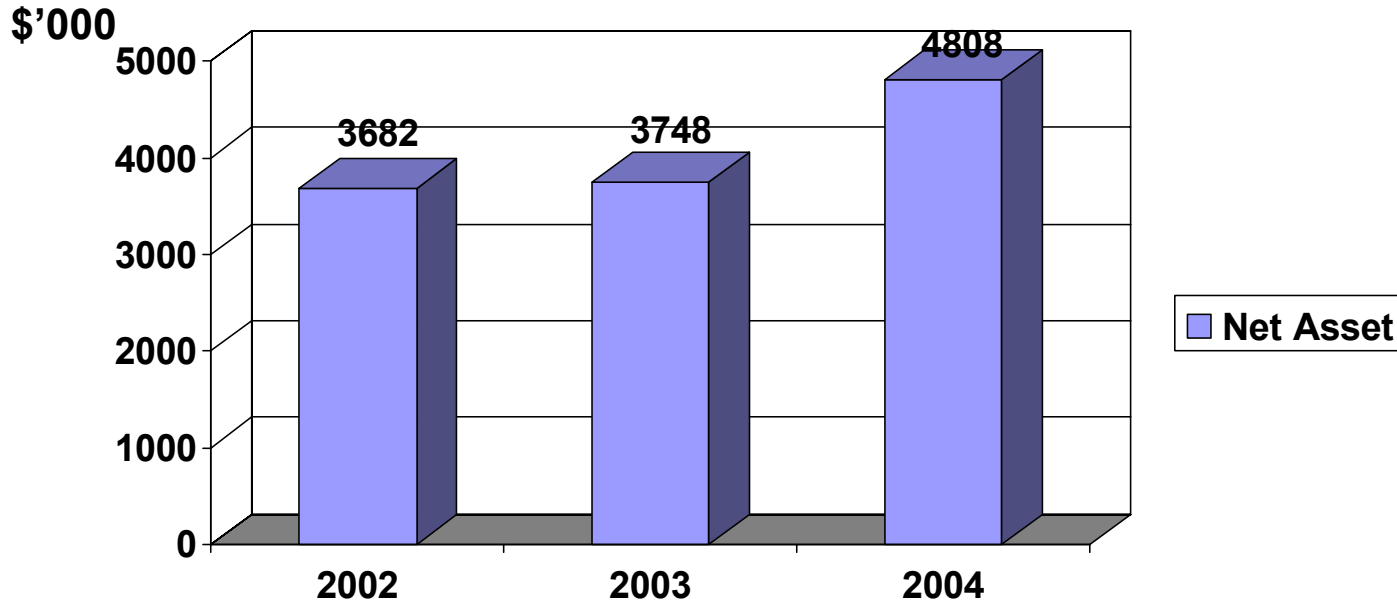


Debt Ratio	2002	2003	2004
	26%	28%	21%

Satisfactory financial stability with constant low debt ratios and potential for optimal gearing

2004 Financial Highlights continued

Net Asset: 2002 to 2004

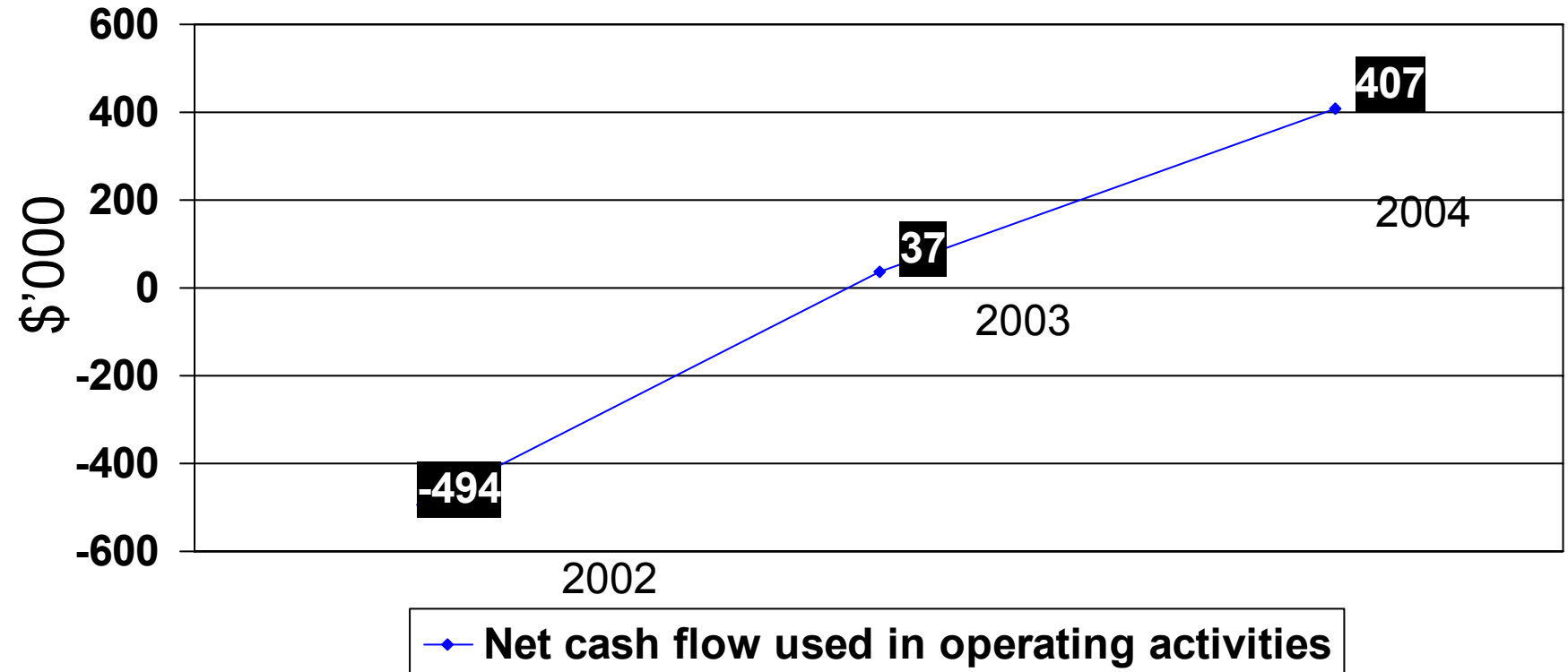


Net asset up to 4.8 million from 3.7 million, an increase of 28%, due to:

- *Investment in background tenure to existing and future mining leases;*
- *Investment in mining lease development;*
- *Investment in quarry equipment;*
- *Repayment of interest bearing loans.*

2004 Financial Highlights continued

Net Cashflow from Operating Activities: 2002 to 2004



Net cashflow from operating activities increased from \$37K to \$407K, an increase of 10 times due to strong operating results and improved payment terms from customers.

An update on current performance

- Sales to date for the 1st quarter is in line with same period last year;
- Signed a supply contract to the value of \$626K. Customer deposit received. First shipment due next week. Contract completion end of May;
- Negotiation on several major supply contracts continues;
- To minimise expenses, will team up with local businesses to set up new offices and showrooms in several cities in China.

Outlook and Challenges for 2005

- Expecting strong revenue and profit growth as products becoming more established in China;
- Revenue target \$3.6 million, profit target 800K;
- The challenge is to continue the growth momentum.