

CHONGHERR INVESTMENTS LTD

ABN 52 054 161 821

HALF YEAR REPORT PERIOD ENDING ON 30 JUNE 2005

APPENDIX 4D

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Sales revenue totals \$1,824,883, representing an increase of \$1,183,482 (184%) as compared with the previous corresponding period (half year ended 30 June 2004).

Profit from ordinary activities after tax (and the net profit for the period) attributable to members is \$389,788, representing a significant increase of \$462,098 over the previous corresponding period (loss \$72,310).

The increase in financial performance for the current period reflects the revenue growth achieved by the company's marketing success in China as well as lower operational costs resulting from the various strategic initiatives undertaken over the last 2-3 years.

Sales prospects for the next 12 months are encouraging, with confirmed orders exceeding \$900,000 to the end of 2005.

The Board remains positive about the future of the company given its current position in the Chinese market place. The Board believes that the company, being an Australian resource company with a proven product in China, is well positioned to cater for the demand resulting from the growth of the Chinese economy.

The half year to 30 June 2005 is the first time the ChongHerr Group has reported under the Australian Equivalents of International Financial Reporting Standards ("AIFRS"). The changes to accounting policies resulting from the adoption of AIFRS are shown in Note 1 to the Financial Report. The comparative results for the 2004 half year previously reported under Australian Generally Accepted Accounting Principles ("AGAAP") have been restated to comply with AIFRS.

2. NET TANGIBLE ASSET BACKING

Net tangible asset backing per security as at 30 June 2005 is 4.2 cents (30 June 2004 3.6 cents).

3. CHANGE IN COMPOSITION OF THE REPORTING ENTITY

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

4. DIVIDENDS

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

5. DETAILS OF ASSOCIATES OR JOINT VENTURE ENTITIES

ChongHerr Investments Ltd has no associates or joint venture entities as at 30 June 2005.

6. FOREIGN ENTITIES

ChongHerr Investments Ltd is incorporated and domiciled in Australia.

7. FINANCIAL REPORT

The financial report is attached and includes the review report issued by the company's auditor. The review report is unqualified. The half year financial report has been prepared in accordance with the requirements of the Corporations Act 2001. The accounting policies used in the preparation of the financial report are the Australian equivalents of International Financial Reporting Standards

For further information contact:



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ChongHerr Investments Ltd

12 September 2005