



ChongHerr

INVESTMENTS LTD

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ASX Announcement Office

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Announcement to the Market

ASI Sandstone Gets Quality Endorsement from Chinese Government Agencies

The Chinese government has recently endorsed the quality of the company's sandstone products with 2 major certifications. The products, known as *ASI Sandstone* in China, were extracted from the company's sandstone quarries in Helidon, Queensland, Australia, an area famous for fresh water sandstone.

In March 2006, China Quality Assurance Centre awarded a ***Quality and Credibility Certificate*** to ASI sandstone. During the same month, a certificate endorsing ASI Sandstone as a ***National Environmentally Friendly Product*** was also awarded by China Brand Name Protection Committee and the China International Environment Protection Committee.

ASI Sandstone made its initial entry to the Chinese market in 1995. At the time sandstone as a building material was little known in the country.

Over the past decade, determination and unrelenting marketing efforts of the previous and current boards have seen the products gradually becoming a highly regarded building material which are favoured by architects, interior and landscape designers, as well as developers.

A breakthrough in marketing success came about in 2002 when the company established sales offices and showrooms in China. During past 4 years, well coordinated sales programs, efforts of local sales team and the ever increasing portfolio of finished projects have ensured a steady sales revenue growth in China. As a result, the company has been able to achieve a turnaround in becoming profitable after nearly a decade's loss-making.

In fact, the company has had 3 consecutive profit years since 2003, with 2005's NPAT reaching \$734,533.

While sales prospects remains strong in 2006 and beyond, the official endorsement of ASI sandstone products by the Chinese government will further lift the reputation of brand name, making it more competitive in the Chinese market.

Yours truly,



Densen Liu
CEO / Chairman
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