

CHONGHERR INVESTMENTS LTD

ABN 52 054 161 821

HALF YEAR REPORT PERIOD ENDING ON 30 JUNE 2006

APPENDIX 4D

1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Sales revenue totals \$1,451,745, representing a decrease of \$373,138 (20%) as compared with the previous corresponding period (half year ended 30 June 2005).

Profit from ordinary activities after tax (and the net profit for the period) attributable to members is \$96,844, representing a decrease of \$292,944 (75%) over the previous corresponding period (profit \$389,788).

The decrease in financial performance for the current period results from the softer sales conditions due to poor weather experienced in the company's main market of southern China.

Awareness in China of the company's product continued to grow in the period and sales prospects for the next 6-12 months are encouraging, with confirmed orders exceeding \$1.6 million to the end of 2006.

More detailed comments on the company's result are in the directors' report included in the accompanying financial report.

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.

2. NET TANGIBLE ASSET BACKING

Net tangible asset backing per security as at 30 June 2006 is 4.6 cents (31 December 2005: 4.5 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 2006.

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.

For further information contact:



Mr Dehui Liu
Managing Director
ChongHerr Investments Ltd

31 August 2006