

**APPENDIX 4D – HALF YEAR REPORT**

**PERIOD ENDED 31 DECEMBER 2019**

**CI RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
ACN 006 788 754**

**Reporting Period**

This information should be read in conjunction with the 30 June 2019 annual financial report.

Current reporting period: 31 December 2019

Previous corresponding period: 31 December 2018

**Results for announcement to the market**

	<b>31 Dec 2019 \$'000's</b>	<b>31 Dec 2018 \$'000's</b>	<b>% Change</b>
Revenue from continuing operations	68,840	77,831	-11.6%
Net profit for the period	2,575	10,685	-75.9%
Profit from ordinary activities after tax attributable to members	2,575	10,685	-75.9%
Total comprehensive income for the period attributable to members	3,901	11,786	-66.9%

**Earnings Per Share**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Basic and Diluted	2.23 cents	9.24 cents

**Dividends**

Dividends totalling 1.5 cents per share have been paid during the half year ended 31 December 2019. The Directors have not recommended or declared any interim dividend.

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**APPENDIX 4D – HALF YEAR REPORT (Continued)**

**PERIOD ENDED 31 DECEMBER 2019**

**CI RESOURCES LIMITED  
AND ITS CONTROLLED ENTITIES  
ACN 006 788 754**

**Net Tangible Asset Backing Per Security**

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Fully paid ordinary shares on issue at balance date	115,581,107	115,581,107
Net tangible asset backing per issued ordinary share as at balance date *	164.4 cents	169.2cents

\* For the purposes of calculating the net tangible asset backing per issued ordinary share as at balance date right of use assets recognised under AASB 16 have been excluded

Additional Appendix 4D disclosure requirements can be found in the directors' report and the 31 December 2019 half year report and accompanying notes.

**Significant changes in the state of affairs of the Company**

No significant changes took place during the period in the state of affairs of the consolidated entity.

**Compliance Statement**

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

For and on behalf of the directors:



David Somerville  
Director

Dated: 28 February 2020

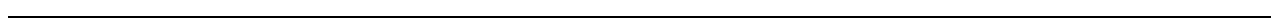
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# **CI Resources Limited**

ACN 006 788 754

## **Half Year Report**

### **For the half-year ended 31 December 2019**



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# CI RESOURCES LIMITED

## Directors' report

Your directors present their half year report on the consolidated entity (“Group”) consisting of CI Resources Limited (“CI” or “Company”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

### Directors

The following persons were directors of CI Resources Limited for the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr David Somerville

Mr Lai Ah Hong

Dato' Sri Tee Lip Sin

Mr Tee Lip Jen

Mr Adrian Gurgone

Dato' Sri Kamaruddin bin Mohammed

Mr Clive Brown (Resigned 31 December 2019)

### Dividends

Dividends totalling 1.5 cents per share have been paid during the half year ended 31 December 2019. The Directors have not recommended or declared any interim dividend.

### Review of operations

The Consolidated Entity is reporting a net profit for the period of \$2.575M for the half-year ended 31 December 2019 (31 December 2018: \$10.685M).

The Company continues to experience soft market conditions in the 2020 financial year, with phosphate and fertiliser sales volumes weaker than the same period in the prior year. This resulted in sales of approximately 245,000 tonnes for the half year, compared with 315,000 tonnes for the same period last year. The weakening Australian Dollar has had a positive impact on our results.

The weak market conditions have also resulted in a decrease in sales volumes from our palm oil plantation and palm oil processing activities.

The Company has implemented a further restructure of its mining operations and cost cutting initiatives in response to the market conditions. It continues to pursue growth opportunities in new markets to strengthen and diversify its revenue base.

CI Maintenance Services commenced a new three year contract with the Commonwealth for facility management and accommodation services for its detention centre facilities.

### *Financial Position*

At the end of the financial period the consolidated entity had net cash balances of \$32.960M (30 June 2019: \$39.726M) and net assets of \$197.473M (30 June 2019: \$195.306M).

Total liabilities amounted to \$58.028M (30 June 2019: \$57.696M), being trade and other creditors, borrowings, provisions and taxation liabilities.

# CI RESOURCES LIMITED

## Directors' report

Earnings per share	December 2019 Cents	December 2018 Cents
Basic earnings per share	2.23	9.24

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.


### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under the *ASIC Corporation (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the Class Order applies.

### Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



D Somerville  
Chairman  
Perth, Western Australia

**28 February 2020**

**AUDITOR'S INDEPENDENCE DECLARATION**



**Building a better  
working world**

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
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**Independence Declaration to the Directors of CI Resources Limited**

As lead auditor for the review of the half-year financial report of CI Resources Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of CI Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Darryn Hall  
Partner  
28 February 2020

## CI RESOURCES LIMITED

### Consolidated Statement of Comprehensive Income For the half-year ended 31 December 2019

	Notes	Consolidated	
		31 December 2019	31 December 2018
		\$'000s	\$'000s
<b>Revenue from continuing operations</b>	3a	<b>68,840</b>	77,831
Cost of sales	3b	(56,974)	(56,101)
<b>Gross Profit</b>		<b>11,866</b>	21,730
Other income	3c	274	827
Finance costs	3d	(749)	(180)
Other expenses	3e	(7,166)	(7,246)
Share of profit in joint ventures		44	-
<b>Profit before income tax</b>		<b>4,269</b>	15,131
Income tax expense		(1,694)	(4,446)
<b>Net profit for the period</b>		<b>2,575</b>	10,685
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		787	1,101
Total other comprehensive income that may be reclassified subsequently to profit or loss		787	1,101
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income		539	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss		539	-
Total comprehensive income for the period		<b>3,901</b>	11,786
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings/(loss) per share		2.23	9.24

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



# CI RESOURCES LIMITED

## Consolidated Statement of Financial Position As at 31 December 2019

	Notes	Consolidated	
		31 December 2019 \$'000s	30 June 2019 \$'000s
<b>Current assets</b>			
Cash and cash equivalents		32,960	39,726
Other financial assets		7,037	7,331
Trade and other receivables		35,896	28,688
Inventories		34,341	36,233
Biological assets		126	125
Forward exchange contract receivable	7	383	48
Income tax receivable		696	3
Total current assets		111,439	112,154
<b>Non-current assets</b>			
Other financial assets		33,077	32,350
Right of use assets		309	-
Property, plant & equipment		88,440	85,235
Goodwill		7,158	7,158
Biological assets		5,878	6,153
Deferred tax assets		9,200	9,952
Total non-current assets		144,062	140,848
<b>Total assets</b>		<b>255,501</b>	<b>253,002</b>
<b>Current liabilities</b>			
Trade and other payables		10,041	13,289
Lease liabilities		233	-
Borrowings		6,595	1,417
Provisions		3,685	5,019
Total current liabilities		20,554	19,725
<b>Non-current liabilities</b>			
Lease liabilities		50	-
Borrowings		11,233	11,853
Deferred tax liabilities		7,613	7,416
Provisions		18,578	18,702
Total non-current liabilities		37,474	37,971
<b>Total liabilities</b>		<b>58,028</b>	<b>57,696</b>
<b>Net assets</b>		<b>197,473</b>	<b>195,306</b>
<b>Equity</b>			
Contributed equity		72,160	72,160
Reserves		10,329	9,003
Accumulated profits		114,984	114,143
<b>Total equity</b>		<b>197,473</b>	<b>195,306</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## CI RESOURCES LIMITED

### Consolidated Statements of Changes in Equity For the half-year ended 31 December 2019

2019 Consolidated	Contributed Equity \$'000s	Foreign Currency Translation Reserve \$'000s	Fair Value Reserve \$'000s	Discount on Acquisition of Non- controlling interest Reserve \$'000s	Retained Earnings \$'000s	Total \$'000s
<b>1 July 2019</b>	72,160	4,455	(3,951)	8,499	114,143	195,306
Profit for the period	-	-	-	-	2,575	2,575
Other comprehensive income	-	787	539	-	-	1,326
<b>Total comprehensive income for the period</b>	-	787	539	-	2,575	3,901
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid	-	-	-	-	(1,734)	(1,734)
<b>31 December 2019</b>	72,160	5,242	(3,412)	8,499	114,984	197,473

## CI RESOURCES LIMITED

### Consolidated Statements of Changes in Equity For the half-year ended 31 December 2019

2018 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Discount on acquisition of Non- controlling interest Reserve \$'000s	Retained earnings \$'000s	Total \$'000s
<b>1 July 2018</b>	72,160	3,030	8,499	112,985	196,674
Profit for the period	-	-	-	10,685	10,685
Other comprehensive income	-	1,101	-	-	1,101
<b>Total comprehensive income for the period</b>	-	1,101	-	10,685	11,786
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid	-	-	-	(5,779)	(5,779)
<b>31 December 2018</b>	<u>72,160</u>	<u>4,131</u>	<u>8,499</u>	<u>117,891</u>	<u>202,681</u>

# CI RESOURCES LIMITED

## Consolidated Statement of Cash Flows For the half-year ended 31 December 2019

	Notes	Consolidated	
		31 December 2019 \$'000s	31 December 2018 \$'000s
<b>Cash flows from operating activities</b>			
Receipts from customers		63,492	69,270
Payments to suppliers and employees		(64,902)	(70,932)
Interest received		381	595
Interest paid		(376)	-
Income taxes paid		(1,294)	(3,417)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(2,699)</b>	<b>(4,484)</b>
<b>Cash flows from investing activities</b>			
Decrease/(increase) in financial assets		1,462	(1,872)
Proceeds from sale of property, plant and equipment		-	4
Purchase of property and equipment		(7,162)	(6,451)
<b>Net cash (outflow)/ inflow from investing activities</b>		<b>(5,700)</b>	<b>(8,319)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(118)	-
Repayments of borrowings		(3,284)	(6)
Proceeds of borrowings		6,668	-
Dividends paid		(1,734)	(5,779)
<b>Net cash outflow from financing activities</b>		<b>1,532</b>	<b>(5,785)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,867)</b>	<b>(18,588)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>39,726</b>	<b>51,243</b>
Impact of foreign exchange		101	622
<b>Cash and cash equivalents at the end of the period</b>		<b>32,960</b>	<b>33,277</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### 1 Corporate Information

The half-year financial statements of CI Resources Limited and its subsidiaries ('Group') for the six months ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 28 February 2020.

CI Resources Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

### 2 Basis of Preparation and Accounting Policies

#### Basis of preparation

This half-year financial statements for the half-year ended 31 December 2019 are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial statements does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial statements should be read in conjunction with the Annual Financial Report of CI Resources Limited as at 30 June 2019.

Apart from the adoption of new or revised standards noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

#### Changes in accounting policy

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's Annual Financial Report for the year ended 30 June 2019, except for the adoption of new standards and interpretation

The Group applies, for the first time, AASB 16 Leases ("AASB 16") and AASB Interpretation 23 Uncertainty over Income Tax Treatments ("AASB Interpretation 23"). The impact of adopting these are discussed below. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim consolidated financial statements of the Group and hence have not been disclosed.

#### AASB 16

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases ("AASB 117"), AASB Interpretation 4 Determining whether an Arrangement contains a Lease ("AASB Interpretation 4"), AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

The impacts of this standard are as follows:

Effective 1 July 2019, the Group has adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019, and as such the comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2019.

## CI RESOURCES LIMITED

### Notes to the financial statements For the half-year ended 31 December 2019

The Group used the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or operating lease. For operating leases, the leased property was not capitalised and the lease payments were recognised as an expense in profit or loss on a straight-line basis.

The effect of adopting IFRS as at 1 July 2019 is set out below:

	1 July 2019 \$'000	31 December 2019 \$'000
<b>Assets</b>		
Non-current assets – Right-of-use assets	359	245
<b>Liabilities</b>		
Current liabilities - lease liabilities	242	219
Non-current liabilities - lease liabilities	117	29

Modified retrospective transition:

	\$'000
Operating lease commitments at 30 June 2019	629
Commitments relating to unrecognised short term lease contracts	(224)
Present value discounting	<u>(46)</u>
Lease liabilities at 1 July 2019	<u>359</u>

Principal repayments on lease liabilities of \$111k were presented as financing cash flows in the consolidated statement of cash flows. Interest repayments on lease liabilities of \$6k for the half year ended 31 December 2019 were presented as operating cash flows in the consolidated statement of cash flows.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application was 3.9%.

#### AASB Interpretation 23

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes (“AASB 112”) and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. There was no impact on adopting AASB Interpretation 23.

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### Consolidated

31 December 2019 \$'000s	31 December 2018 \$'000s
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### 3 Revenue and Expenses

#### (a) Revenue

Phosphate sales	37,571	46,865
Palm oil sales	15,490	15,943
Finance revenue – interest	381	595
Rendering of services	5,448	4,343
Fuel sales	6,967	7,434
Other sales	2,983	2,651
	<u>68,840</u>	<u>77,831</u>

#### (b) Cost of sales

Cost of production:		
Production and purchase costs	44,381	39,598
Royalties	544	901
Environment levy	543	859
Insurance	974	937
	<u>46,442</u>	<u>42,295</u>

#### Shipping costs:

Shipping charges	5,545	8,542
Port charges	626	1,384
	<u>6,171</u>	<u>9,926</u>

#### Handling and warehousing costs

	417	355
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#### Depreciation:

Plant and equipment	3,944	3,525
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#### Total cost of sales

	<u>56,974</u>	<u>56,101</u>
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#### (c) Other income

Foreign exchange gain	-	812
Dividend income from equity instruments at fair value through OCI	274	-
Other	-	15
	<u>274</u>	<u>827</u>

#### (d) Finance costs

Accretion in provisions	367	180
Interest expense	382	-
	<u>749</u>	<u>180</u>

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### Consolidated

31 December 2019 \$'000s	31 December 2018 \$'000s
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### 3 Revenue and Expenses (continued)

#### (e) Other expenses

Redundancy expense	126	408
Change in fair value of biological asset		47
Loss on disposal of asset	6	-
Foreign exchange loss	159	
Depreciation	175	57
Administration and other	6,700	6,734
	<u>7,166</u>	<u>7,246</u>

### 4 Dividends Paid and Proposed

Franked dividends declared and paid during the half-year on ordinary shares to the owners of the parent: **\$0.015** (December 2018: **\$0.05**)

Dividends proposed and not yet recognised as a liability

(1,734)	(5,779)
-	(1,734)
<u>(1,734)</u>	<u>(7,513)</u>

### 5 Commitments and Contingencies

As at the reporting date, the consolidated entity had no expenditure commitments.

Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

### 6 Events after the Balance Sheet Date

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect, the operations of CI Resources Limited and its controlled entities, or the state of affairs of CI Resources Limited and its controlled entities in subsequent periods.



Notes to the financial statements  
For the half-year ended 31 December 2019

7 Financial Instruments

The Directors have concluded that the fair value of financial assets and financial liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Receivables/payables - Due to the short term nature of these financial rights and obligations, and/or market interest received/paid, their carrying values are estimated to represent their fair values.
- Derivatives - The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
- Finance lease liability - The fair value is the present value of minimum lease payments.
- Bank loan - All the bank loans of the Group are interest bearing with floating interest rates which move in accordance with the market interest rates. Therefore the fair value of the bank loans approximates their carrying value.
- Term deposits - The carrying values of term deposits represent the fair values.
- Capital notes - These investments are fair valued by reference to published bid prices.

(a) Forward currency contracts – Financial asset at fair value through profit or loss

The Group has entered into forward exchange contracts which are economic hedges but do not satisfy the requirements for hedge accounting.

	Notional amounts \$AUD		Average exchange rate	
	31 Dec 2019 \$'000s	30 June 2019 \$'000s	31 Dec 2019	30 June 2019
<b>Sell US\$/buy Australian \$</b>				
Consolidated				
Sell US\$ maturity 0 to 12 months	28,676	46,143	0.6961	0.7043
Sell US\$ maturity 12 to 24 months	7,241	-		

These contracts are fair valued by comparing the contracted rate to the forward market rates for contracts with the same remaining term, discounted at a market interest rate. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value losses on foreign currency derivatives during the half-year were \$0.355 million (2018: loss \$1.667 million) for the Group.

(b) Capital notes – Financial asset at fair value through profit or loss

The Group has invested in capital notes with various institutions which are designated as available-for-sale financial assets.

	Fair Value \$AUD	
	31 Dec 2019 \$'000s	30 June 2019 \$'000s
<b>Capital notes \$</b>		
Australian capital notes	989	992

Initial measurement of these financial assets comprise fair value plus transaction costs and subsequent measurement at fair value. The movement in fair value in each period is recognised in other comprehensive income. The net fair value loss on capital notes during the half-year were \$3,000 (2018: gain \$7,000) for the Group.

The group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

**Level 1:** the fair value is calculated using quoted price in active markets;

**Level 2:** the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (as price) or indirectly (derived from prices); and

**Level 3:** the fair value is estimated using inputs for the assets or liability that are not based on observable market data.

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Forward currency contract - classified as financial asset at fair value through profit or loss	-	383	-	383
Capital notes - classified as financial asset at fair value through profit or loss	989	-	-	989
	989	383	-	1,372

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### Transfer between categories:

There were no transfers between levels during the half-year.

## 8 Segment Reporting

### Segment Reporting for the half-year ended 31 December 2019

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operation decision makers) in assessing performance and in determining the allocation of resources.

The Group has identified its operating segments to be Mining and Farming based on the different operating businesses within the Group. Discrete financial information about each of these operating segments is reported to the chief operation decision makers on a monthly basis.

Mining operating segment primarily involves mining, processing and sale of phosphate rock, phosphate dust and chalk.

Farming operating segment primarily involves oil palm cultivation and palm oil processing.

### Accounting policies and inter-segment transactions

The accounting policy used by the Group in reporting segments internally are the same as those contained in Note 2 to the 30 June 2019 accounts.

	Half-Year ended 31 December 2019			
	Mining	Farming	Unallocated/ Elimination	Total
	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>				
Revenue from external customers	37,571	15,490	-	53,061
Interest income	162	149	70	381
Rendering of services	-	-	5,448	5,448
Fuel sales	-	-	6,967	6,967
Other sales	-	-	2,983	2,983
Total segment revenue	37,733	15,639	15,468	68,840
<b>Result</b>				
Segment net operating profit after tax (attributable to parent)	2,329	84	162	2,575
Depreciation and amortisation	2,348	1,082	689	4,119
Income tax expense	1,611	27	56	1,694
<b>As at 31 December 2019</b>				
<b>Assets and Liabilities</b>				
Segment assets	156,951	64,057	34,493	255,501
Segment liabilities	40,205	15,653	2,170	58,028

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### 8 Segment reporting (continued)

	Half-Year ended 31 December 2018			
	Mining	Farming	Unallocated/ Elimination	Total
	\$'000s	\$'000s	\$'000s	\$'000s
<b>Revenue</b>				
Revenue from external customers	46,865	15,943	-	62,808
Interest income	233	233	129	595
Rendering of services	-	-	4,343	4,343
Fuel sales	-	-	7,434	7,434
Other sales	-	-	2,651	2,651
Total segment revenue	47,098	16,176	14,557	77,831
<b>Result</b>				
Segment net operating profit after tax (attributable to parent)	9,293	339	1,053	10,685
Depreciation and amortisation	1,867	1,023	692	3,582
Income tax expense	3,875	108	463	4,446
<b>As at 30 June 2019</b>				
<b>Assets and Liabilities</b>				
Segment assets	153,579	65,080	34,343	253,002
Segment liabilities	34,489	18,057	5,150	57,696

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown:

	1 July 2019 to 31 December 2019 \$'000s	July 2018 to 31 December 2018 \$'000s
Australasia	16,311	11,207
Indonesia	18,958	-
Malaysia	32,390	56,900
Singapore	800	9,129
	<b>68,459</b>	<b>77,236</b>

#### Major customers

The Group has a number of customers to which it provides the products. There are 3 (2018: 3) customers of the Group who each account for more than 10% of total external revenue for the half years ended.

# CI RESOURCES LIMITED

## Notes to the financial statements For the half-year ended 31 December 2019

### 8 Segment reporting (continued)

*Non-Current Assets by geographical regions:*

	Consolidated	
	31 December 2019 \$'000s	30 June 2019 \$'000s
Australia	63,583	66,594
Malaysia	74,091	72,966
Singapore	6,388	1,288
	<b>144,062</b>	<b>140,848</b>

### 9 Related parties

The Group has a policy that all transactions with related parties are conducted on commercial terms and conditions.

No material related party transactions occurred other than the remuneration of Directors and Key Management Personnel.

### 10 Changes in composition of the entity

There has been no material change in the composition and nature of the Group during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations.

## Directors' Declaration

In the directors' opinion:

- (a) The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company and the consolidated entity's financial position as at 31 December 2019 and of their performance, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to be 'D Somerville', written over a horizontal line.

**D Somerville**  
Chairman

**Perth**  
**28 February 2020**



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## **Independent Auditor's Review Report to the Members of CI Resources Limited**

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of CI Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

**INDEPENDENT REVIEW REPORT TO THE MEMBERS**



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Darryn Hall  
Partner  
28 February 2020