

APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2016

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

Reporting Period

This information should be read in conjunction with the 30 June 2016 annual financial report.

Current reporting period: 31 December 2016
Previous corresponding period: 31 December 2015

Results for announcement to the market

	31 Dec 2016 \$'000's	31 Dec 2015 (restated) \$'000's	% Change
Revenue from continuing operations	77,889	106,378	(26.8%)
Net profit for the period	10,022	21,825	(54.1%)
Profit from ordinary activities after tax attributable to members	10,022	21,825	(54.1%)
Total comprehensive income for the period attributable to members	4,750	17,232	(72.4%)

Earnings Per Share

	31 Dec 2016	31 Dec 2015 (restated)
Basic and Diluted	8.67cents	18.88 cents

Dividends

Dividends totalling 8 cents per share have been paid during the half year ended 31 December 2016. The Directors recommend the payment of an interim dividend of 3 cents per share.

Date the interim dividend is payable	18 April 2017
Record date to determine entitlements to the dividend	21 March 2017
Date interim dividend was declared	24 February 2017

APPENDIX 4D – HALF YEAR REPORT (Continued)

PERIOD ENDED 31 DECEMBER 2016

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

Net Tangible Asset Backing Per Security

	31 Dec 2016	31 Dec 2015 (restated)
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	129.6cents	136.5 cents

Additional Appendix 4D disclosure requirements can be found in the directors' report and the 31 December 2016 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: 24 February 2017

CI Resources Limited

ACN 006 788 754

Half Year Report

For the half-year ended 31 December 2016

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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 2016.

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

Mr Tee Lip Sin

Mr Tee Lip Jen

Mr Adrian Gurgone

Dato' Sri Kamaruddin bin Mohammed

Mr Clive Brown

Dividends

Dividends totaling 8 cents per share have been paid during the half year ended 31 December 2016. The Directors propose paying a fully franked interim dividend of 3 cents per share issued with the record date being set at 21 March 2017 with payment to be made on the 18 April 2017.

Review of operations

The Consolidated Entity is reporting a net profit for the period of \$10.022M for the half-year ended 31 December 2016 (31 December 2015: \$21.825M).

Sales volumes from the Christmas Island operations were weaker than the same period in the prior year due to abnormally high rainfall in the first half of the financial year. This resulted in sales of approximately 320,000 tonnes for the half year including sales generated by our Malaysian and Singapore subsidiaries from external trading activities, compared with 440,000 tonnes for the same period last year.

There was an increase in sales revenue from the Commonwealth government contract for the exclusive supply of Diesel fuel to the Christmas Island Power Station and for the provision of diesel fuel for other Commonwealth entities operating out of Christmas Island. This contract commenced in the prior year.

Financial Position

At the end of the financial period the consolidated entity had net cash balances of \$42.199M (30 June 2016: \$57.696M) and net assets of \$172.157M (30 June 2016: \$176.653M).

Total liabilities amounted to \$45.640M (30 June 2016: \$52.891M), being trade and other creditors, provisions and taxation liabilities.

CI RESOURCES LIMITED

Directors' report

Earnings per share	December 2016	December 2015 (restated)
	Cents	Cents
Basic earnings per share	8.67	18.88

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.

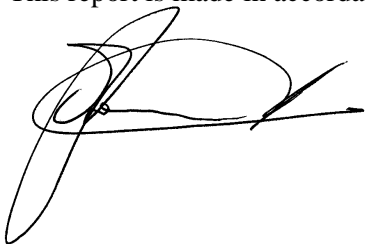
Rounding

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

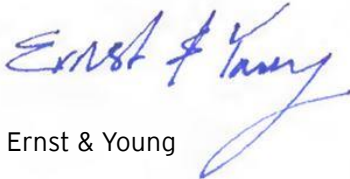
24 February 2017

Auditor's independence declaration to the Directors of CI Resources Limited

As lead auditor for the review of CI Resources Limited for the half-year ended 31 December 2016, 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



D A Hall
Partner
Perth
24 February 2017

CI RESOURCES LIMITED

**Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2016**

	Notes	Consolidated	
		31 December 2016 \$'000s	31 December 2015 (restated) \$'000s
Revenue from continuing operations	3a	77,889	106,378
Cost of sales	3b	(57,613)	(66,859)
Gross Profit		20,276	39,519
Other income	3c	1,536	1,621
Finance costs		(301)	(299)
Other expenses	3d	(7,706)	(8,771)
Share of loss of a joint venture		(38)	-
Profit before income tax		13,767	32,070
Income tax expense		(3,745)	(10,245)
Net profit for the period		10,022	21,825
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(5,272)	(4,593)
		4,750	17,232
		Cents	Cents
Basic and diluted earnings/(loss) per share		8.67	18.88

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 2016**

	Notes	Consolidated	
		31 December 2016 \$'000s	30 June 2016 (restated) \$'000s
Current assets			
Cash and cash equivalents	4	42,199	57,696
Term deposits		12,593	11,553
Trade and other receivables		41,108	39,303
Inventories		11,518	12,495
Biological asset	7(a)	380	700
Prepayments		3,739	161
Income tax receivable		654	468
Total current assets		112,191	122,376
Non-current assets			
Other financial assets		9,885	10,376
Property, plant & equipment		72,099	72,790
Goodwill		7,158	7,158
Biological assets	7(b)	6,362	7,182
Investment in a joint venture		161	-
Deferred tax assets		9,941	9,662
Total non-current assets		105,606	107,168
Total assets		217,797	229,544
Current liabilities			
Trade and other payables		8,468	9,349
Financial liabilities	9	675	-
Borrowings		-	160
Income tax payable		1,040	5,453
Provisions		6,058	8,061
Total current liabilities		16,241	23,023
Non-current liabilities			
Deferred tax liabilities		9,469	9,675
Provisions		19,930	20,193
Total non-current liabilities		29,399	29,868
Total liabilities		45,640	52,891
Net assets		172,157	176,653
Equity			
Contributed equity		72,160	72,160
Reserves		3,944	9,216
Accumulated profits		96,053	95,277
Total equity		172,157	176,653

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 2016**

2016 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Discount on acquisition of Non- controlling interest Reserve \$'000s	Retained earnings \$'000s	Total \$'000s
1 July 2016 (restated)	72,160	717	8,499	95,277	176,653
Profit for the period	-	-	-	10,022	10,022
Other comprehensive income	-	(5,272)	-	-	(5,272)
Total comprehensive income for the period	-	(5,272)	-	10,022	4,750
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(9,246)	(9,246)
31 December 2016	72,160	(4,555)	8,499	96,053	172,157

CI RESOURCES LIMITED

**Consolidated Statements of Changes in Equity
For the half-year ended 31 December 2016**

2015 Consolidated	Contributed Equity \$'000s	Foreign currency translation Reserve \$'000s	Discount on acquisition of Non- controlling interest Reserve \$'000s	Retained earnings \$'000s	Total \$'000s
1 July 2015 (restated)	72,160	2,902	8,499	71,323	154,884
Profit for the period – as previously reported	-	-	-	22,449	22,449
Impact of change in accounting policy	-	-	-	(624)	(624)
Profit for the period – restated	-	-	-	21,825	21,825
Other comprehensive income – as previously reported	-	(4,541)	-	-	(4,541)
Impact of change in accounting policy	-	(52)	-	-	(52)
Other comprehensive income – restated	-	(4,593)	-	-	(4,593)
Total comprehensive income for the period (restated)	-	(4,593)	-	21,825	17,232
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(5,779)	(5,779)
31 December 2015 (restated)	72,160	(1,691)	8,499	87,369	166,337

CI RESOURCES LIMITED

**Consolidated Statement of Cash Flows
For the half-year ended 31 December 2016**

	Notes	Consolidated	
		31 December 2016 \$'000s	31 December 2015 \$'000s
Cash flows from operating activities			
Receipts from customers		75,676	98,944
Payments to suppliers and employees		(67,441)	(83,047)
Interest received		408	487
Income taxes paid		(8,379)	(6,367)
Net cash inflow from operating activities		264	10,017
Cash flows from investing activities			
Increase in term deposits		(549)	(1,550)
Proceeds from sale of property, plant and equipment		293	19
Purchase of property and equipment		(6,254)	(6,166)
Investment in joint venture		(200)	-
Net cash (outflow) from investing activities		(6,710)	(7,698)
Cash flows from financing activities			
(Repayments) / proceeds from interest bearing loans and borrowings		(160)	366
Dividends paid		(9,246)	(5,779)
Net cash (outflow) from financing activities		(9,406)	(5,413)
Net (decrease) in cash and cash equivalents		(15,852)	(3,094)
Cash and cash equivalents at the beginning of the financial year		57,696	53,967
Impact of foreign exchange		355	1,072
Cash and cash equivalents at the end of the period	4	42,199	51,945

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

**Notes to the financial statements
For the half-year ended 31 December 2016**

1 Corporate Information

The half-year financial statements of CI Resources Limited and its subsidiaries ('Group') for the six months ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 24 February 2017.

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 2016 are general purpose condensed 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 2016.

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 consolidated financial statements for the year ended 30 June 2016, except for the adoption of new and amended Accounting Standards and Interpretations effective 1 July 2016, including:

- AASB 2014-3 : Amendments to Australian Accounting Standards –Accounting for Acquisition of Interest in Joint Operations (AASB 1 & AASB 11)
- AASB 2014-4 : Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)
- AASB 2014-6 : Amendments to Australian Accounting Standards – Agriculture: Bearer plants (AASB 101, AASB 116, AASB 117, AASB 123, AASB 136, AASB 140 & AASB 141)
- AASB 2015-1 Amendments to Australian Accounting Standards –Annual Improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 : Amendment to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

Other than AASB 2014-6 , the adoption of the above new and amended Accounting Standards and Interpretations did not have a material impact on the consolidated financial position or performance of the Group.

Impact of AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants

Effective from 1 July 2016 the Group has adopted AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants, and the consequential amendments to AASB 116 Property, Plant and Equipment and AASB 141 Agriculture. These amendments distinguish bearer plants (i.e. palm oil trees), from other biological assets (i.e. fresh fruit bunches). The amended standards consider bearer plants, which are solely used to grow produce over their productive lives, to be similar to plant and equipment. Bearer plants are now accounted for under AASB 116. Previously, bearer plants and its agricultural produce were considered to be one asset prior to harvest and were carried at fair value less cost to sell both on initial recognition and subsequently. Agricultural produce growing on bearer plants remains within the scope of AASB 141 and continues to be measured at fair value less costs to sell.

Upon adoption of the amended standards, and in accordance with the transition provisions, the Group has elected to measure bearer plants at their fair value at 1 July 2015 and deem this to be cost at that date.

**Notes to the financial statements
For the half-year ended 31 December 2016**

New accounting policy – Property, Plant & Equipment (Bearer Plants)

Bearer plants are measured at cost, less any subsequent accumulated depreciation and impairment.

Prior to maturity, the costs of bearer plants includes the cost of direct materials, direct labour and other costs directly attributable to the bearer plants reaching maturity. Post maturity, maintenance costs on bearer plants are expensed as incurred.

Mature bearer plants are subject to depreciation on a straight line basis over their estimated useful lives. The useful life of a bearer plant is estimated at 25 years.

The carrying amount of bearer plants is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets

Comparative financial information

Comparative financial information has been restated to reflect the adoption of AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants in accordance with the relevant transitional requirements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The changes reflect:

- Accounting for the Bearer Plants in accordance with AASB 116 Property, Plant and Equipment rather than AASB 141 Agriculture – refer to new accounting policy above;
- Depreciation expense in connection with Bearer Plants – refer to new accounting policy above; and
- The consequential tax impact of the above changes.

The following tables summarises the impact of the adjustments on the comparative financial information:

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2015 (extract):

	31 December 2015 '000	Increase/ (decrease) '000	31 December 2015 '000 (Restated)
Cost of sales	(65,329)	(1,530)	(66,859)
Other income	924	697	1,621
Profit before income tax	32,903	(833)	32,070
Income tax expense	(10,454)	209	(10,245)
Net profit for the period	22,449	(624)	21,825
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(4,541)	(52)	(4,593)
Total comprehensive income for the period	17,908	(676)	17,232
Basic and diluted earnings/(loss) per share	19.42	(0.54)	18.88

CI RESOURCES LIMITED**Notes to the financial statements
For the half-year ended 31 December 2016***Consolidated Statement of Financial Position as at 30 June 2016 (extract):*

	30 June 2016 '000	Increase/ (decrease) '000	30 June 2016 '000 (Restated)
Current assets			
Biological assets	-	700	700
Non-current assets			
Bearer plants	-	7,182	7,182
Biological assets	8,025	(8,025)	-
Non-current liabilities			
Deferred tax liabilities	9,689	(14)	9,675
Equity			
Reserves	9,304	(88)	9,216
Accumulated profits	95,318	(41)	95,277

It is impractical for the Group to disclose the impact of the pre-amended standard on the current half-year financial position and financial performance of the Group.

Issued but not yet effective accounting standards

The Group has not elected to early adopt any new standards or amendments that are not mandatorily effective.

**Notes to the financial statements
For the half-year ended 31 December 2016**

	Consolidated	
	31 December 2016 \$'000s	31 December 2015 \$'000s
3 Revenue and Expenses		
(a) Revenue		
Phosphate sales	49,856	73,227
Palm oil sales	14,500	21,210
Finance revenue – interest	408	487
Rendering of services	4,299	4,157
Other sales	8,826	7,297
	77,889	106,378
(b) Cost of sales		
Cost of production:		
Production and purchase costs	43,871	48,539
Royalties	812	1,273
Environment levy	732	1,145
Insurance	928	826
	46,343	51,783
Shipping costs:		
Shipping charges	7,158	10,979
Port charges	1,085	1,440
	8,243	12,419
Handling and warehousing costs	372	57
Depreciation:		
Plant and equipment	2,655	2,600
Total cost of sales	57,613	66,859
(c) Other income		
Foreign exchange gain	1,100	887
Change in fair value of biological asset	428	697
Other	8	37
	1,536	1,621

**Notes to the financial statements
For the half-year ended 31 December 2016**

	Consolidated	
	31 December 2016 \$'000s	31 December 2015 \$'000s
3 Revenue and Expenses (continued)		
(d) Other expenses		
Redundancy expense	499	332
Depreciation	46	28
Administration and other	7,161	8,411
	<u>7,706</u>	<u>8,771</u>
4 Reconciliation of Cash and Cash Equivalents		
	31 December 2016 \$'000s	30 June 2016 \$'000s
Cash at bank	<u>42,199</u>	<u>57,696</u>
5 Dividends Paid and Proposed		
Franked dividends declared and paid during the half-year on ordinary shares to the owners of the parent: \$0.08 (June 2016: \$0.09)	(9,246)	(10,401)
Dividends proposed and not yet recognised as a liability	(3,467)	-
	<u>(12,713)</u>	<u>(10,401)</u>

6 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.

**Notes to the financial statements
For the half-year ended 31 December 2016**

	Consolidated	
	31 December 2016 \$'000s	30 June 2016 \$'000s
7 Biological Assets		
(a) Biological assets		
Carrying amount at beginning of period	700	1,256
Cost during the period	735	2,040
Harvested during the period	(1,435)	(3,296)
Fair value adjustment	428	752
Effect of foreign exchange	(48)	(52)
Carrying amount at end of period	380	700
Biological assets consist of agricultural produce growing on bearer plants at the balance sheet date.		
(b) Bearer plants (property, plant & equipment)		
Carrying amount/deemed cost at beginning of period	7,182	8,040
Depreciation	(262)	(548)
Effect of foreign exchange	(558)	(310)
Carrying amount at end of period	6,362	7,182

The Group grows oil palm plants to produce palm oil. The plantation is located in Malaysia.

The Group is exposed to risks in respect of agricultural activity.

The primary risk associated with this activity occurs due to the length of time between expending cash on planting and trees reaching production so that cash can be received from the sale of palm oil to third parties. The Group's strategy to manage this risk is to stage the replanting (20-30 year replanting cycle) to reduce the effect on the cash flow.

8 Events after the Balance Sheet Date

No matter or circumstance has arisen since 31 December 2016 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.

9 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:

- Term deposits – due to the short term nature of deposits, the carrying value is approximate to the fair value.
- 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.
- Financial contracts - 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.

**Notes to the financial statements
For the half-year ended 31 December 2016**

9 Financial Instruments (continued)

Forward currency contracts – held for trading

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 2016 \$'000s	30 June 2016 \$'000s	31 Dec 2016	30 June 2016
Sell US\$/buy Australian \$				
Consolidated				
Sell US\$ maturity 0 to 12 months	21,488	-	0.7446	-

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 \$0.675 million 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 '000	Level 2 '000	Level 3 '000	Total '000
Forward currency contracts – classified as held for trading	-	(675)	-	-
	-	(675)	-	-

Transfer between categories:

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

**Notes to the financial statements
For the half-year ended 31 December 2016**

10 Segment Reporting

Segment Reporting for the half-year ended 31 December 2016

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 resource.

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 2016 accounts.

	Half-Year ended 31 December 2016			
	Mining	Farming	Unallocated/ Elimination	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Revenue				
Revenue from external customers	49,856	14,500	-	64,356
Interest income	218	75	115	408
Rendering of services	-	-	4,936	4,936
Fuel sales	-	-	8,189	8,189
Total segment revenue	50,074	14,575	13,240	77,889
Result				
Segment net operating profit after tax (attributable to parent)	8,092	699	1,231	10,022
Depreciation and amortisation	1,427	910	364	2,701
Income tax expense	3,348	101	296	3,745
As at 31 December 2016				
Assets and Liabilities				
Segment assets	136,628	50,943	30,226	217,797
Segment liabilities	38,081	4,424	3,135	45,640

**Notes to the financial statements
For the half-year ended 31 December 2016**

10 Segment reporting (continued)

	Half-Year ended 31 December 2015*			
	Mining	Farming	Unallocated/ Elimination	Total
	\$'000s	\$'000s	\$'000s	\$'000s
Revenue				
Revenue from external customers	73,227	21,210	-	94,437
Interest income	266	100	121	487
Rendering of services	-	-	4,157	4,157
Other sales	-	-	7,297	7,297
Total segment revenue	73,493	21,310	11,575	106,378
Result				
Segment net operating profit after tax (attributable to parent)	20,347	432	1,046	21,825
Depreciation and amortisation	1,363	938	327	2,628
Income tax expense	9,438	143	664	10,245
As at 30 June 2016				
Assets and Liabilities				
Segment assets	144,571	54,823	30,150	229,544
Segment liabilities	44,632	5,091	3,168	52,891

*-The segment reporting disclosure for half-year ended 31 December 2015 and as at 30 June 2016 have been updated for the impact of the amendments to AASB 2014-6.

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 2016 to 31 December 2016 \$'000s	1 July 2015 to 31 December 2015 \$'000s
Australasia	14,072	15,689
Malaysia	49,981	73,627
Indonesia	13,428	16,575
	77,481	105,891

Major customers

The Group has a number of customers to which it provides the products. There are 2 customers of the Group who each account for more than 10% of total external revenue for the half years ended 31 December 2016 and 2015.

**Notes to the financial statements
For the half-year ended 31 December 2016**

10 Segment reporting (continued)

Non-Current Assets by geographical regions:

	Consolidated	
	31 December 2016 \$'000s	30 June 2016 \$'000s
Australia	57,643	55,887
Malaysia	46,651	49,991
Singapore	1,312	1,290
	105,606	107,168

11 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.

12 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.

The Group entered into a joint venture, Goshawk Services Pty Ltd during the period with a 49% interest. For the period ended 31 December 2016, the Group recognised \$38,000 share in loss incurred.

**Directors' declaration
For the half-year ended 31 December 2016**

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 2016 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
24 February 2017

Report on the half-year or interim financial report to the members of CI Resources Limited

We have reviewed the accompanying half-year financial report of CI Resources Limited which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 controls as the directors determine are 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, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its 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 CI Resources Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

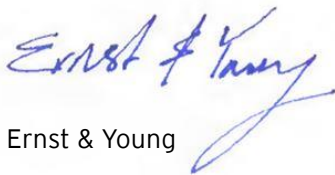
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of CI Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its 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*.



Ernst & Young



D A Hall
Partner
Perth
24 February 2017