

**CI Resources Limited**  
**ACN 006 788 754**

**Appendix 4D**  
**Half-yearly Report**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

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This preliminary report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2008 annual financial report.

Current reporting period: 31 December 2008

Previous corresponding period: 31 December 2007

For and on behalf of the directors:



Janelle Burns  
Joint Company Secretary

Dated: 27 February 2009

<b>Results for announcement to the market</b>		<b>AUD \$'000's</b>
Revenue from continuing operations	down 52% to	190
Profit/(Loss) from ordinary activities after tax attributable to members	up 952% to	13,484
Net profit/(loss) for the period Attributable to members	up 1078% to	14,635

**Dividends**

No dividends have been paid or declared during the interim period. The directors do not recommend the payment of a dividend in respect of the interim period.

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**COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION**

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**Net Tangible Asset Backing**

	<b>31 December 2008 \$</b>	<b>31 December 2007 \$</b>
Net assets	28,592,467	14,698,164
Less intangible assets	-	-
Net tangible assets of the Company	28,592,467	14,698,164
Fully paid ordinary shares on issue at balance date	72,874,012	72,874,012
Net tangible asset backing per issued ordinary share as at balance date	\$0.39	\$0.20

**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.

**Details of associates**

<b>Associate</b>	<b>Percentage Holding</b>		<b>Aggregate Share of Profit/(Loss)</b>	
	<b>Current period</b>	<b>Previous corresponding period</b>	<b>Current period</b>	<b>Previous corresponding period</b>
Guizhou Tianfeng Chem-Phos Company Ltd	32%	32%	-	95,831
Phosphate Resources Ltd	38.77%	38.77%	16,562,932	1,151,857

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**AUDIT QUALIFICATION**

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The company, through its controlled entity XiFeng International Pte Ltd, maintains an investment of 32% in Guizhou Taingfeng Chem-Phos Co Ltd, an associated entity. In prior periods the accounts of the associated entity were previously qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of a long-term equity investment it maintains, as they were not supplied with financial statements of the investee to support the balance.

As a result, any change in this long-term equity investment balance could ultimately result in a change in the equity accounted investment and profit and loss of the controlled entity.

During the current period the investment maintained by XiFeng International Pte Ltd in Guizhou Tiangfeng Chem-Phos Co Ltd was impaired to a carrying value of nil (further information is contained at Note 2). Given this limitation of scope imposed on the prior periods, we are unable to conclude on the financial effect, if any, on the profit and loss for the current and prior periods or the net asset position of the consolidated entity as at 31 December 2007 and 30 June 2008.

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# **CI Resources Limited**

## **Interim Financial Report**

**For the six months ended 31 December 2008**

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## CI RESOURCES LIMITED

### Directors' report

Your directors present their report on the consolidated entity ("Group") consisting of CI Resources Limited ("CII" or "Company") and the entity it controlled at the end of, or during, the half-year ended 31 December 2008.

#### Directors

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

Mr Clive Morris Brown (elected 30 May 2007)

Mr Tee Lip Sin (appointed 25 June 2007)

Mr Phuar Kong Seng (elected 30 May 2008)

Mr Willy See Khiang (elected 30 May 2008)

Mr Lai Ah Hong was elected as a director on 30 May 2008 and resigned on 20 December 2008.

Dato Dr Mohamad Hashim Bin Ahmad Tajudin was a director from the beginning of the year until his resignation on 10 July 2008.

Mr Anthony Brennan was a director from the beginning of the year until his resignation on 28 November 2008.

Mr David Somerville was elected as a director at the Annual General Meeting held 28 November 2008.

Mr Phua Siak Yeong was elected a director at the Annual General Meeting held 28 November 2008.

#### Review of operations

A summary of consolidated revenues and results is set out below:

	<b>Revenue</b>	<b>Results</b>	Revenue	Results
	<b>Half-year</b>	<b>Half-year</b>	Half-year	Half-year
	<b>31 December</b>	<b>31 December</b>	31 December	31 December
	<b>2008</b>	<b>2008</b>	2007	2007
	\$	\$	\$	\$
Revenue from continuing operations	<u>189,951</u>		<u>394,412</u>	
Profit/(loss) before income tax expense		<b>14,635,300</b>		<b>1,241,730</b>
Income tax expense		<u>-</u>		<u>-</u>
Profit/(loss) attributable to members of CI Resources Limited		<u><b>14,635,300</b></u>		<u><b>1,241,730</b></u>

#### Financial Position

At the end of the half-year the consolidated entity had net cash balances of \$5,963,066 and net assets of \$28,592,467.

Total liabilities amounted to \$165,040 and were limited to trade and other creditors.

**CI RESOURCES LIMITED**

**Directors' report**

The Board of CI Resources have reviewed its investments in Phosphate Resources Ltd and XiFeng International Pte Ltd and has made provision for impairment of the investment in XiFeng. It continues to examine ways to maximise shareholder value through the investment in Phosphate Resources.

**Auditors' Independence Declaration**

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

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



C Brown  
Chairman  
Perth, Western Australia

27 February 2009

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27<sup>th</sup> February 2009

The Directors  
CI Resources Limited  
PO Box 449  
Belmont WA 6984

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF  
CI RESOURCES LIMITED**

As lead auditor for the review of CI Resources Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- 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 period.



**Glyn O'Brien**  
Director



**BDO Kendalls Audit & Assurance (WA) Pty Ltd**  
Perth, Western Australia

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CI RESOURCES LIMITED

**Income Statement**

For the half-year ended 31 December 2008

	Consolidated	
	Half-year December 2008 \$	Half-year December 2007 \$
<b>Revenue from continuing operations</b>	<b>189,951</b>	394,412
Directors remuneration and employee expenses	(110,496)	(92,533)
Professional fees	(94,062)	(187,114)
Provision for impairment	2 (2,946,448)	-
Administration expenses	(117,680)	(80,412)
Net foreign exchange losses	-	(570)
Share of net profits/(losses) of associates	<b>16,562,932</b>	1,247,688
<b>Profit/(loss) before income tax</b>	<b>13,484,197</b>	1,281,471
Income tax expense	-	-
(Profit)/loss attributable to minority equity interests	<b>1,151,103</b>	(39,741)
<b>Profit/(Loss) attributable to members of CI Resources Limited</b>	<b>14,635,300</b>	1,241,730
<b>Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:</b>		
Basic and diluted earnings per share	<b>Cents 19.76</b>	Cents 1.68

*The above Income Statement should be read in conjunction with the Notes to the Financial Statements*

CI RESOURCES LIMITED

**Balance Sheet**  
As at 31 December 2008

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2008</b>
	<b>2008</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	5,963,066	5,059,596
Trade and other receivables	39,545	54,360
Total current assets	<b>6,002,611</b>	5,113,956
<b>Non-current assets</b>		
Plant and equipment	30	465
Investments accounted for using the equity method	22,754,866	9,808,906
Total non-current assets	<b>22,754,896</b>	9,809,371
<b>Total assets</b>	<b>28,757,507</b>	14,923,327
<b>Current liabilities</b>		
Trade and other payables	165,040	225,163
Total current liabilities	<b>165,040</b>	225,163
<b>Total liabilities</b>	<b>165,040</b>	225,163
<b>Net assets</b>	<b>28,592,467</b>	14,698,164
<b>Equity</b>		
Contributed equity	17,970,336	17,970,336
Reserves	244,286	(165,820)
Accumulated earnings/(losses)	10,377,845	(4,257,455)
Parent interest	28,592,467	13,547,061
Minority equity interest	-	1,151,103
<b>Total equity</b>	<b>28,592,467</b>	14,698,164

*The above Balance Sheet should be read in conjunction with the Notes to the Financial Statements*

CI RESOURCES LIMITED

**Statement of Changes in Equity**  
For the half - year ended 31 December 2008

	Consolidated	
	Half-year December 2008 \$	Half-year December 2007 \$
<b>Total equity at the beginning of the financial period</b>	<b>14,698,164</b>	12,800,625
Translation of foreign controlled entities and associates	<b>410,106</b>	(379,490)
<b>Total recognised income in equity during the period</b>	<b>410,106</b>	(379,490)
Profit/(loss) for the financial period	<b>13,484,197</b>	1,281,471
<b>Total recognised income and expense for the period</b>	<b>13,894,303</b>	901,981
<b>Total equity at the end of the half - year</b>	<b>28,592,467</b>	13,702,606

*The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements*

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CI RESOURCES LIMITED

**Cash Flow Statement**

For the half – year ended 31 December 2008

	Consolidated	
	Half-year December 2008 \$	Half-year December 2007 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of goods and services tax)	(335,944)	(430,714)
Interest received	111,511	128,976
Dividends received	1,128,103	265,436
<b>Net cash inflows/(outflows) from operating activities</b>	<b>903,670</b>	<b>(36,302)</b>
<b>Cash flows from investing activities</b>		
Payments for plant & equipment	(200)	-
<b>Net cash inflows from investing activities</b>	<b>(200)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Loans to related parties	-	-
<b>Net cash inflows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>903,470</b>	<b>(36,302)</b>
Cash and cash equivalents at the beginning of the half-year	5,059,596	5,042,270
Net exchange differences	-	(569)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>5,963,066</b>	<b>5,005,399</b>

*The above Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements*

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## CI RESOURCES LIMITED

### Notes to the Financial Statements for the half-year ended 31 December 2008

#### Note 1. Basis of preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by CI Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year.

#### Note 2. Expenses

Included in expenses is an amount of \$2,946,448 for a provision for impairment. This relates to the investment in Guizhou Tianfeng Chem-Phos Company ("GTFC") held by the Company's wholly owned subsidiary XiFeng International Pte Ltd.

The investment has been fully impaired as GTFC, pursuant to an environmental order, closed the factory plant in April 2008 and ceased operating. The directors consider that it is unlikely any of the investment can be recovered.

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CI RESOURCES LIMITED

Notes to the Financial Statements  
for the half-year ended 31 December 2008

Note 3. Segment information

(a) Business segments

The consolidated entity operates predominantly in one industry. Its principal activities are those of investing.

(b) Geographical segments – primary reporting

	Australia December 2008 \$	Singapore December 2008 \$	Eliminations December 2008 \$	Unallocated 2008 \$	Consolidated December 2008 \$
<b>Revenue</b>					
Interest revenue	-	-	-	111,511	111,511
Dividend revenue	1,128,103	-	(1,128,103)	-	-
Net foreign exchange gains	78,063	377	-	-	78,440
<b>Total revenue</b>	<b>1,206,166</b>	<b>377</b>	<b>(1,128,103)</b>	<b>111,511</b>	<b>189,951</b>

<b>Result</b>					
Segment result	(533,543)	(2,959,944)	414,752	1,151,103	(1,927,632)
Share of net profit of equity accounted associates	16,562,932	-	-		16,562,932
Profit before income tax					14,635,300
Income tax expense					-
<b>Profit after income tax</b>					<b>14,635,300</b>

	Australia December 2007 \$	Singapore December 2007 \$	Eliminations December 2007 \$	Unallocated 2007 \$	Consolidated December 2007 \$
<b>Revenue</b>					
Interest revenue	-	-	-	128,976	128,976
Dividend revenue	265,436	-	-	-	265,436
<b>Total revenue</b>	<b>265,436</b>	<b>-</b>	<b>-</b>	<b>128,976</b>	<b>394,412</b>

<b>Result</b>					
Segment result	48,547	(86,720)	-	32,675	(5,498)
Share of net profit of equity accounted associates	-	95,381	-	1,151,857	1,247,238
Profit before income tax					1,241,730
Income tax expense					-
<b>Profit after income tax</b>					<b>1,241,730</b>

**CI RESOURCES LIMITED**

**Notes to the Financial Statements**  
for the half-year ended 31 December 2008

**Note 4. Contingencies**

The consolidated entity has no contingent liabilities as at 31 December 2008.

**Note 5. Dividends**

There were no dividends declared or paid during the half-year. (2007: nil)

**Note 6. Equity securities issued**

There were no shares or options issued during the half-year. (2007: nil)

**Note 7. Events occurring after balance sheet date**

No matters or circumstances have arisen since the end of the half-year which have significantly affected, or may affect the operations of the entity, the results of those operations, or the state of affairs of the entity in financial years subsequent to the half-year ended 31 December 2008.

**Note 8. Related party transactions**

There have been no related party transactions with directors or other key management personnel.

Ownership in related parties remains unchanged from 30 June 2008.

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**CI RESOURCES LIMITED**

**Directors' Declaration**

In the directors' opinion:

- (a) The financial statements and notes set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the consolidated entity 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.



**C Brown**  
Chairman

Perth  
27 February 2009

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CI RESOURCES LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CI Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 Interim and Other Financial Reports 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 disclosing entity's financial position as at 31 December 2008 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, 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*.

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**Basis for Qualified Auditor's Conclusion**

*Limitation of Scope – Prior Period Balances*

The company, through its controlled entity XiFeng International Pte Ltd, maintains an investment of 32% in Guizhou Taingfeng Chem-Phos Co Ltd, an associated entity. In prior periods the accounts of the associated entity were previously qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of a long-term equity investment it maintains, as they were not supplied with financial statements of the investee to support the balance.

As a result, any change in this long-term equity investment balance could ultimately result in a change in the equity accounted investment and profit and loss of the controlled entity.

During the current period the investment maintained by XiFeng International Pte Ltd in Guizhou Tiangfeng Chem-Phos Co Ltd was impaired to a carrying value of nil (further information is contained at Note 2). Given this limitation of scope imposed on the prior periods, we are unable to conclude on the financial effect, if any, on the profit and loss for the current and prior periods or the net asset position of the consolidated entity as at 31 December 2007 and 30 June 2008.

**Qualified Auditor's Conclusion**

Based on our review, which is not an audit, except for the effect on the financial statements of the matters referred to in the preceding paragraphs 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 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO Kendalls  
Glyn O'Brien

**Glyn O'Brien**  
Director

Dated this 27<sup>th</sup> day of February 2009  
Perth, Western Australia