

CI Resources Limited
ACN 006 788 754

Appendix 4D
Half-yearly Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

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 2009 annual financial report.

Current reporting period: 31 December 2009

Previous corresponding period: 31 December 2008

For and on behalf of the directors:



Janelle Burns
Joint Company Secretary

Dated: 27 February 2010

Results for announcement to the market		AUD \$'000's
Revenue from continuing operations	down 45% to	105
Profit/(Loss) from ordinary activities after tax attributable to members	down 797% to	2,734
Net profit/(loss) for the period Attributable to members	down 797% to	2,734

Dividends

No dividends have been paid or during the interim period. A dividend of 2 cents per share was declared during the period. All shareholders holding shares at the record date of 9 March 2010 will receive the dividend, payment date being 22 March 2010.

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Half-yearly Report

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Net Tangible Asset Backing

	31 December 200; \$	31 December 200: \$
Net assets	34,426,691	28,592,467
Less intangible assets	-	-
Net tangible assets of the Company	34,426,691	28,592,467
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	\$0.47	\$0.39

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

Associate	Percentage Holding		Aggregate Share of Profit/(Loss)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Phosphate Resources Ltd	41.74%	38.77%	2,986,080	16,562,932

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Appendix 4D
Half-yearly Report

AUDIT QUALIFICATION

Basis for Auditor's Qualified Conclusion

During the year ended 30 June 2009, the consolidated entity, through its controlled entity Xifeng International Pte Ltd, held an investment of 32% in Guizhou Tianfeng Chem-Phos Company Limited, an associated entity. The accounts of the associated entity for the year ended 30 June 2009 and the six month period to 30 June 2008 were qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of an equity accounted investment it maintained, as they were not supplied with financial statements to support the balance.

In the period to 31 December 2008, Xifeng International Pty Ltd wrote down to nil the carrying balance of its equity investment in Guizhou Tianfeng Chem-Phos Company Limited via an impairment charge. However, due to the scope limitation detailed above, for the half-year to 31 December 2008, we are unable to conclude on the appropriate classification within the income statement between impairment loss and profit and loss from equity accounted investment.

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CI Resources Limited

Financial Report

For the half-year ended 31 December 2009

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity ("Group") consisting of CI Resources Limited ("CI" or "Company") and the entity it controlled at the end of, or during, the half-year ended 31 December 2009.

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 David Somerville (elected 28 November 2008)
Mr Tee Lip Sin (appointed 25 June 2007)
Mr Phuar Kong Seng (elected 30 May 2008)
Mr Phua Siak Yeong (elected 28 November 2008)
Mr Willy See Khiang (resigned 8 January 2010)
Mr Clive Morris Brown (resigned 29 January 2010)
Prof. Anthony Brennan (appointed 29 January 2010)

Review of operations

Financial performance

The consolidated entity recorded an operating profit after income tax of \$2,733,992 for the half-year ended 31 December 2009 (2008: \$13,484,197).

There was no dividend declared or paid during the half-year.

Financial Position

At the end of the half-year the consolidated entity had net cash balances of \$7,885,634 and net assets of \$34,426,691.

Total liabilities amounted to \$132,543 and were limited to trade and other creditors.

The Board of CI Resources has reviewed its investments in Phosphate Resources Ltd ("PRL") and XiFeng International Pte Ltd ("Xifeng") and the investment in Xifeng remains fully impaired. It continues to examine ways to maximise shareholder value through the investment in PRL and to this end will continue to utilize the creep provisions of the Corporations Act 2001 to acquire further shares in PRL.

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 4.

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



David Somerville
Chairman
Perth, Western Australia

27 February 2010



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Auditor's Independence Declaration to the Directors of CI Resources Limited

In relation to our review of the financial report of CI Resources Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'R J Curtin'.

R J Curtin
Partner
27 February 2010

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CI RESOURCES LIMITED

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2009

		Consolidated	
		Half-year December 2009	Half-year December 2008
		\$	\$
Continuing operations			
Revenue		105,119	189,951
Directors remuneration and employee expenses		(110,000)	(110,496)
Professional fees		(102,824)	(94,062)
Impairment of investment in associate		-	(2,946,448)
Administration expenses		(122,857)	(117,680)
Net foreign exchange losses		(21,524)	-
Share of net profits of associates	3	2,986,080	16,562,932
Profit/(loss) before income tax		2,733,993	13,484,197
Income tax expense		-	-
Net profit for the period		2,733,993	13,484,197
Other comprehensive income			
Foreign currency translation		(15,474)	410,106
Total comprehensive income for the period		2,718,520	13,894,303
Net profit for the period is attributable to:			
Non-controlling interests		-	(1,151,103)
Members of CI Resources Limited		2,733,993	14,635,300
		2,733,993	13,484,197
Total comprehensive income for the period attributable to:			
Non-controlling interests		-	(1,151,103)
Members of CI Resources Limited		2,718,520	15,045,406
		2,718,519	13,894,303
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:			
Basic and diluted earnings per share	4	Cents 3.15	Cents 19.76

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

CI RESOURCES LIMITED

Statement of Financial Position
As at 31 December 2009

	Consolidated	
	31 December	30 June 2009
	2009	2009
	\$	\$
Current assets		
Cash and cash equivalents	7,885,634	6,738,207
Trade and other receivables	40,279	17,154
Total current assets	7,925,913	6,755,361
Non-current assets		
Investments accounted for using the equity method	3 26,633,321	25,076,421
Total non-current assets	26,633,321	25,076,421
Total assets	34,559,234	31,831,782
Current liabilities		
Trade and other payables	132,543	123,610
Total current liabilities	132,543	123,610
Total liabilities	132,543	123,610
Net assets	34,426,691	31,708,172
Equity		
Contributed equity	17,970,336	17,970,336
Reserves	348,493	363,967
Retained earnings	16,107,862	13,373,869
Parent interest	34,426,691	31,708,172
Non-controlling interests	-	-
Total equity	34,426,691	31,708,172

The above Statement of Financial Position 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 2009

2009 Consolidated	Contributed Equity \$	Foreign Exchange Translation Reserves \$	Accumulated Earnings \$	Total \$
At the beginning of the financial period	17,970,336	363,967	13,373,869	31,708,172
Foreign currency translation	-	(15,474)	-	(15,474)
Total income and expense for the half-year recognised directly in equity	-	(15,474)	-	(15,474)
Profit for the half-year	-	-	2,733,993	2,733,993
Total income and expense for the half-year	-	(15,474)	2,733,993	2,718,519
Total Equity at the end of the financial period	17,970,336	348,493	16,107,862	34,426,691
2008 Consolidated	Contributed Equity \$	Reserves \$	Accumulated Earnings \$	Total \$
At the beginning of the financial period	17,970,336	(165,820)	(4,257,455)	13,547,061
Foreign currency translation	-	410,106	-	410,106
Total income and expense for the half-year recognised directly in equity	-	410,106	-	410,106
Profit for the half-year	-	-	14,635,300	14,635,300
Total income and expense for the half-year	-	410,106	14,635,300	15,045,406
Total Equity at the end of the financial period	17,970,336	244,286	10,377,845	28,592,467

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

CI RESOURCES LIMITED

Statement of Cash Flow
For the half – year ended 31 December 2009

	Consolidated	
	Half-year December 2009 \$	Half-year December 2008 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of goods and services tax)	(386,680)	(335,944)
Interest received	105,119	111,511
Dividends received	1,429,180	1,128,103
Net cash inflows from operating activities	1,147,619	903,670
Cash flows from investing activities		
Payments for plant & equipment	-	(200)
Net cash outflows from investing activities	-	(200)
Net increase in cash and cash equivalents held	1,147,619	903,470
Cash and cash equivalents at the beginning of the half-year	6,738,207	5,059,596
Net exchange differences	(192)	-
Cash and cash equivalents at the end of the half-year	7,885,634	5,963,066

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

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Notes to the Financial Statements
for the half-year ended 31 December 2009

Note 1. Basis of preparation and changes in accounting policies

(a) Basis of preparation

This general purpose condensed financial report for the half-year reporting period ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all the notes of the type normally included in an 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. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by CI Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *ASX Listing Rules*.

The accounting policies adopted are consistent with those adopted in the most recent annual report.

(b) New and amended accounting standards and interpretations

From 1 July 2009 the Group has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009, including

AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations
AASB 3 (Revised)	Business Combinations
AASB 127 (Revised)	Consolidated and Separate Financial Statements
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127
AASB 2008-5	Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2008-6	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2008-7	Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]

CI RESOURCES LIMITED**Notes to the Financial Statements**
for the half-year ended 31 December 2009**Note 1. Basis of preparation and changes in accounting policies (continued)**

AASB 123 (Revised) and AASB 2007-6	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.
AASB 2009-4	Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]
AASB 2009-7	Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17]

Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

The Group has not elected to early adopt any new standards or amendments.

Note 2. Segment information

Management has determined the operating segments based on reports reviewed by the Board (Chief Operations Decision Maker) for making strategic decisions. There are two reportable segments being Australia and Singapore.

The principle activities of the Australia segment consisted of investment in the phosphate industry and the Singapore segment consisted of investments in the fertilizer industry.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those used in preparing annual and half-year reports except as detailed below:

Investment in associates

Investments in associates are accounted for at cost and dividends recognized as revenue when the right to receive payment is established.

Segment information provided for the half-year ended 31 December 2009 is as follows:

Half-year ended 31 December 2009

	Australia \$	Singapore \$	Total \$
Total Segment Revenue	1,429,180	-	1,429,180
Segment results	1,056,375	(5,734)	1,050,641

CI RESOURCES LIMITED

Notes to the Financial Statements
for the half-year ended 31 December 2009

Note 2. Segment information (continued)

Half-year ended 31 December 2008

	Australia \$	Singapore \$	Total \$
Total Segment Revenue	1,206,167	376	1,206,543
Segment results	(645,054)	(2,959,944)	(3,604,998)

Total Segment Assets

	Australia \$	Singapore \$	Total \$
31 December 2009			
Segment assets	14,696,130	30,676	14,726,806
Post acquisition changes in the Group's share of net assets of associates			19,699,885
Total consolidated assets			34,426,691
30 June 2009			
Segment assets	22,050	13,534,203	13,556,253
Post acquisition changes in the Group's share of net assets of associates			18,275,528
Total consolidated assets			31,831,782

Reconciliation of segment revenue to revenue presented on the Consolidated Statement of Comprehensive Income as follows:

	Consolidated	
	2009 \$	2008 \$
Segment revenue	1,429,180	1,206,543
Unallocated interest revenue	105,119	111,511
Dividend income on equity accounted investments	(1,429,180)	(1,128,103)
Profit before income tax from continuing operations	105,119	189,951

Reconciliation of segment result to profit before income tax is as follows:

	Consolidated	
	2009 \$	2008 \$
Segment result	1,050,641	(3,604,998)
Dividend income on equity accounted investments	(1,429,180)	(1,128,103)
Unallocated impairment loss	21,332	1,542,855
Unallocated interest revenue	105,119	111,511
Share of profit of associates	2,986,080	16,562,932
Profit before income tax from continuing operations	2,733,992	13,484,197

CI RESOURCES LIMITED**Notes to the Financial Statements**
for the half-year ended 31 December 2009**Note 3. Investments accounted for using the equity method*****Investment in Phosphate Resources Limited***

The Group has a 41.74% interest in the ordinary shares of Phosphate Resources Limited which operates a phosphate mine on Christmas Island, Australia.

The Board intends to maintain the equity holdings in PRL and does not intend to dispose of this investment in the foreseeable future.

(a) Associated companies

	31 December 2009 \$	30 June 2009 \$
Phosphate Resources Limited	26,633,321	25,076,421
	<u>26,633,321</u>	<u>25,076,421</u>

(b) Reconciliation

	2009 \$	2008 \$
At the beginning of the period	25,076,421	9,808,906
Share of associated company's profit/(loss)		
Phosphate Resources Limited	2,986,080	16,562,932
Equity accounted dividends – Phosphate Resources Limited	(1,429,180)	(1,128,103)
Impaired investment	-	(2,946,448)
Foreign currency adjustments	-	457,579
	<u>26,633,321</u>	<u>22,754,866</u>

Investment in Xi Feng International Pty Ltd

CI Resources holds a 51% interest in XiFeng International Pte Ltd (“Xi Feng”), a Singaporean company whose sole asset is a 20% interest in two phosphate mines in the Guizhou province in southwest China.

The Board has reviewed its equity holdings in Xi Feng International Pte Ltd and continues to consider the carrying value fully impaired.

XiFeng International's partner in the Joint Venture was Guizhou Tiangfeng Chemical Company Limited (“GTFC”) - the Guizhou province's third largest fertiliser producer - which owned 52% of the Project.

The Joint Venture operated under the name Guizhou Tiangfeng Chem-Phos Company Limited (“the Joint Venture”).

The Project included a plant (supplied by GTFC under the terms of the Joint Venture Agreement), that manufactured Mono Ammonia Phosphate (MAP) and Nitrogen Phosphate Potassium (NPK) fertiliser.

In 2006, Guizhou Tiangfeng Chem-Phos Joint Venture acquired a 30% interest in two phosphate mines in China to provide feed stock for the plant.

CI RESOURCES LIMITED

Notes to the Financial Statements for the half-year ended 31 December 2009

Note 3. Investments accounted for using the equity method (continued)

On 20 June 2008, following the closure of the joint venture by the Government of the Peoples Republic of China, GTFC assigned a 20% interest in the two phosphate mines referred to above to Xi Feng. At the same date GTFC indemnified Xi Feng in respect of any costs or damages or government taxes or charges arising from environmental damage caused by the operation of the plant referred to above.

On 20 June 2008, Xi Feng assigned its 20% interest in the two phosphate mines referred to above to Mr Yu Yang Jun as directed and controlled by Xin Ao (Guizhou) Mining Cosultancy Company Ltd who hold the mining licenses in trust on behalf of Phosphate Resources (China) Ltd . On the same date Phosphate Resources (China) Ltd transferred 18,100 shares in Phosphate Resources (HuaLi) Ltd to Xi Feng.

Xifeng has no obligation to contribute to operating losses of these mines.

Note 4. Contingencies

The consolidated entity has no contingent liabilities as at 31 December 2009.

Note 5. Dividends

There were no dividends declared or paid during the half-year. (2008: nil)

Note 6. Equity securities issued

There were no shares or options issued during the half-year. (2008: nil)

Note 7. Events occurring after balance sheet date

On 8 February 2010 the Company declared an unfranked dividend of 2 cents per share to all shareholders holding shares on the record date of 9 March 2010. Payment date is 22 March 2010.

Other than shown above, 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 2009.

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 2009.

CI RESOURCES LIMITED

Directors' Declaration

In the opinion of the directors:

- (a) the financial statements and the notes of the Company are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half year then ended; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; 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.

The declaration is signed in accordance with a resolution of the Board of Directors.



David Somerville
Chairman

27 February 2010

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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 statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes 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 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 controls 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 consolidated entity's financial position as at 31 December 2009 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.

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Basis for Auditor's Qualified Conclusion

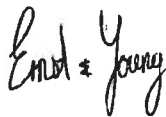
During the year ended 30 June 2009, the consolidated entity, through its controlled entity XiFeng International Pte Ltd, held an investment of 32% in Guizhou TaiFeng Chem-Phos Co Ltd, an associated entity. The accounts of the associated entity for the year ended 30 June 2009 and six month-period ended 30 June 2008 were qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of an equity accounted investment it maintained, as they were not supplied with financial statements of the investee to support the balance.

In the period to 31 December 2008, XiFeng International Pte Ltd wrote down to nil the carrying value of its equity investment in Guizhou TaiFeng Chem-Phos Co Ltd via an impairment charge. However, due to the scope limitation as detailed above, for the half year ended 31 December 2008, we are unable to conclude on the appropriate classification within the income statement between impairment loss and profit and loss from equity accounted investment.

Auditor's Qualified Conclusion

Based on our review, which is not an audit, except for the effect of adjustments, if any, as to the classification between impairment loss and profit and loss from equity accounted investments for the half-year ended 31 December 2008 as detailed in the Basis for Auditor's Qualified Conclusion paragraphs above, 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:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



R J Curtin
Partner
Perth

27 February 2010

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