

**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 31 December 2006 annual financial report.

Current reporting period: 30 June 2007

Previous corresponding period: 30 June 2006

For and on behalf of the directors:



Janelle Burns  
Joint Company Secretary

Dated: 31 August 2007

<b>Results for announcement to the market</b>		<b>AUD \$'000's</b>
Revenue from continuing operations	up 62% to	321
Profit/(Loss) from ordinary activities after tax attributable to members	up 151% to	138
Net profit/(loss) for the period Attributable to members	up 151% to	138

**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>30 June 2007 \$</b>	<b>30 June 2006 \$</b>
Net assets	12,800,625	10,043,920
Less intangible assets	-	-
Net tangible assets of the Company	12,800,625	10,043,920
Fully paid ordinary shares on issue at balance date	72,874,012	60,874,102
Net tangible asset backing per issued ordinary share as at balance date	\$0.17	\$0.15

**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%	163,552	(201,121)

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**AUDIT QUALIFICATION**

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The group, through its controlled entity Xi Feng International Pte Ltd, maintains an investment of 32% in an associated entity. The accounts of the associated entity were qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of a long term equity investment of \$3,311,649 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.

Given this limitation of scope, we are unable to conclude on the financial effect, if any, on the carrying value of the equity associated investment in the consolidated accounts or its commensurate effect on the consolidated profit and loss.

**CI Resources Limited**

**Interim Financial Report**

**For the six months ended 30 June 2007**

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## CI RESOURCES LIMITED

### 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 30 June 2007.

#### 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:

Dato Dr Mohamad Hashim Bin Ahmad Tajudin  
Mr Clive Morris Brown (appointed 30 May 2007)  
Mr Anthony Brennan (appointed 30 May 2007)  
Mr Tee Lip Sin (appointed 25 June 2007)  
Mr Mark Victor Caruso (resigned 28 May 2007)  
Mr Kim Sun Oh (resigned 28 May 2007)  
Dato Lim Say Chong (resigned 28 May 2007)  
Mr Peter Patrick Torre (resigned 28 May 2007)

#### Review of operations

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

	Revenue	Results	Revenue	Results
	30 June 2007	30 June 2007	30 June 2006	30 June 2006
	\$	\$	\$	\$
Revenue from continuing operations	<u>321,045</u>		<u>198,137</u>	
Profit/(loss) before income tax expense		183,156		(395,134)
Income tax expense		-		-
Profit/(loss) attributable to minority equity interest		<u>(44,864)</u>		<u>126,338</u>
Profit/(loss) attributable to members of CI Resources Limited		<u>138,292</u>		<u>(268,796)</u>

#### Financial Position

At the end of the half-year the consolidated entity had net cash balances of \$5,042,270 and net assets of \$12,800,625.

Total liabilities amounted to \$241,220 and were limited to trade and other creditors.

The Board of CI Resources has reviewed its investments in Phosphate Resources Ltd and XiFeng International Pte Ltd and is investigating the most appropriate way to maximize shareholder value and minimise administrative overheads. The Board has also commenced a process of examining other investment opportunities. Depending on the progress with these matters, a shareholders information meeting is expected to be called later in the year to acquaint shareholders with the strategic directions of the company.

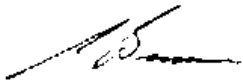
CI RESOURCES LIMITED

**Directors' report**

**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.

A handwritten signature in black ink, appearing to read 'C Brown', with a long horizontal flourish extending to the right.

C Brown  
Chairman  
Perth, Western Australia

30 August 2007



BDO Kendalls

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31 August 2007

The Directors  
CI Resources Limited  
Unit 1 103 Campbell Street  
BELMONT WA 6104

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BDO KENDALLS TO THE DIRECTORS OF CI RESOURCES LIMITED**

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
- no contraventions of any applicable code of professional conduct in relation to the review.

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

**BG McVeigh**  
Director



CI RESOURCES LIMITED

**Condensed Income Statements**  
For the half-year ended 30 June 2007

	<b>Half-year 2007 \$</b>	<b>Half-year 2006 \$</b>
<b>Revenue from continuing operations</b>	<b>321,045</b>	198,137
Purchase of materials	-	(131,170)
Directors remuneration and employee expenses	<b>(75,675)</b>	(100,055)
Professional fees	<b>(164,327)</b>	(42,723)
Administration expenses	<b>(49,781)</b>	(118,202)
Net foreign exchange losses	<b>(11,658)</b>	-
Share of net profits/(losses) of associates	<b>163,552</b>	(201,121)
<b>Profit/(loss) before income tax</b>	<b>183,156</b>	(395,134)
Income tax expense	-	-
(Profit)/loss attributable to minority equity interests	<b>(44,864)</b>	126,338
<b>Profit/(Loss) attributable to members of CI Resources Limited</b>	<b>138,292</b>	(268,796)
<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 0.19</b>	Cents (0.44)

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

CI RESOURCES LIMITED

**Condensed Balance Sheets**

As at 30 June 2007

	30 June 2007	31 December 2006
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	5,042,270	4,921,536
Trade and other receivables	11,886	24,282
Total current assets	<u>5,054,156</u>	<u>4,945,818</u>
<b>Non-current assets</b>		
Plant and equipment	1,215	1,607
Investments accounted for using the equity method	2,952,081	2,511,859
Other financial assets	5,034,393	5,034,393
Total non-current assets	<u>7,987,689</u>	<u>7,547,859</u>
<b>Total assets</b>	<u>13,041,845</u>	<u>12,493,677</u>
<b>Current liabilities</b>		
Trade and other payables	241,220	169,383
Total current liabilities	<u>241,220</u>	<u>169,383</u>
<b>Total liabilities</b>	<u>241,220</u>	<u>169,383</u>
<b>Net assets</b>	<u>12,800,625</u>	<u>12,324,294</u>
<b>Equity</b>		
Contributed equity	17,970,336	17,970,336
Reserves	280,701	(12,475)
Accumulated losses	<u>(6,636,393)</u>	<u>(6,774,685)</u>
Parent interest	11,614,644	11,183,176
Minority equity interest	<u>1,185,981</u>	<u>1,141,118</u>
<b>Total equity</b>	<u>12,800,625</u>	<u>12,324,294</u>

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

CI RESOURCES LIMITED

**Condensed Statements of Changes in Equity**  
**For the half - year ended 30 June 2007**

	Half-year 2007 \$	Half-year 2006 \$
<b>Total equity at the beginning of the financial period</b>	<b>12,324,294</b>	10,362,262
Translation of foreign controlled entities and associates	<b>293,175</b>	76,792
<b>Total recognised income in equity during the period</b>	<b>293,175</b>	76,792
Profit/(loss) for the financial period	<b>183,156</b>	(395,134)
<b>Total recognised income and expense for the period</b>	<b>476,331</b>	(318,342)
Contributions of equity – net of transactions costs	-	-
<b>Total equity at the end of the half - year</b>	<b>12,800,625</b>	10,043,920

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

CI RESOURCES LIMITED

**Condensed Cash Flow Statement**  
For the half – year ended 30 June 2007

	Half-year 2007 \$	Half-year 2006 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of goods and services tax)	(205,158)	(383,667)
Interest received	121,968	60,693
Dividends received	199,077	-
<b>Net cash inflows/(outflows) from operating activities</b>	<b>115,887</b>	<b>(322,974)</b>
<b>Cash flows from investing activities</b>		
Other	16,506	-
<b>Net cash inflows from investing activities</b>	<b>16,506</b>	-
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	190,073
Repayment of borrowings	-	(85,335)
Loans to related parties	-	(2,970)
<b>Net cash inflows from financing activities</b>	<b>-</b>	<b>101,768</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>132,393</b>	<b>(221,206)</b>
Cash and cash equivalents at the beginning of the half-year	4,921,536	2,471,013
Net exchange differences	(11,659)	572
<b>Cash and cash equivalents at the end of the half-year</b>	<b>5,042,270</b>	<b>2,250,379</b>

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

## CI RESOURCES LIMITED

### Notes to the Financial Statements

#### Note 1. Basis of preparation

This general purpose financial report for the interim half-year reporting period ended 30 June 2007 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 31 December 2006 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. 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

	<b>Australia 2007 \$</b>	<b>Singapore 2007 \$</b>	<b>Eliminations 2007 \$</b>	<b>Consolidated 2007 \$</b>
<b>Revenue</b>				
Interest revenue	121,968	-	-	121,968
Dividend revenue	199,077	-	-	199,077
<b>Total revenue</b>	<b>321,045</b>	<b>-</b>	<b>-</b>	<b>321,045</b>
<b>Result</b>				
Segment result	91,560	(71,956)	-	19,604
Share of net profit of equity accounted associates	-	163,552	-	163,552
Profit before income tax				183,156
Income tax expense				-
<b>Profit after income tax</b>				<b>183,156</b>
<b>Assets</b>				
Segment assets	<b>11,347,821</b>	<b>2,970,983</b>	<b>(1,276,959)</b>	<b>13,041,845</b>
<b>Liabilities</b>				
Segment liabilities	<b>72,098</b>	<b>257,603</b>	<b>(88,481)</b>	<b>241,220</b>

## **CI RESOURCES LIMITED**

### **Notes to the Financial Statements**

#### **Note 3. Contingencies**

The consolidated entity has no contingent liabilities as at 30 June 2007.

#### **Note 4. Dividends**

There were no dividends declared or paid during the half-year.

#### **Note 5. Equity securities issued**

There were no shares or options issued during the half-year.

#### **Note 6. Change in Business Structure**

On 30 May 2007 two directors, Mr Clive Brown and Mr Anthony Brennan, were appointed to the board of directors of Phosphate Resources Limited in which the Company is the major shareholder. On the basis that the company now has significant influence it will equity account the investment, however this requirement is under independent review.

#### **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 30 June 2007.


**CI RESOURCES LIMITED**

**Directors' Declaration**

In the directors' opinion:

- (a) The financial statements and notes set out on pages 6 to 11 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 30 June 2007 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  
30 August 2007



## **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 condensed balance sheet as at 30 June 2007, and the condensed income statement, condensed statement of changes in equity and condensed 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 in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

#### *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 designing, implementing 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 an Interim 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 disclosing entity's financial position as at 30 June 2007 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of CI Resources Limited on 31 August 2007, would be in the same terms if provided to the directors as at the date of this auditor's review report.

## Qualification

The group, through its controlled entity Xi Feng International Pte Ltd, maintains an investment of 32% in an associated entity. The accounts of the associated entity were qualified due to their auditors being unable to satisfy themselves as to the accuracy of the balance of a long term equity investment of \$3,311,649 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.

Given this limitation of scope, we are unable to conclude on the financial effect, if any, on the carrying value of the equity associated investment in the consolidated accounts or its commensurate effect on the consolidated profit and loss.

## Qualified Conclusion

Based on our review, which is not an audit except for the possible effect of the matter described in the above qualification paragraph, 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 30 June 2007 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  
BG McVeigh

**BG McVeigh**  
Director

Perth, Western Australia  
Dated this 31<sup>st</sup> day of August 2007