

**CI Resources Limited**

**Financial Report**

**For the financial year ended 30 June 2012**

# CI Resources Limited ACN 006 788 754

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# CI RESOURCES LIMITED

## Chairman's Letter

Dear Shareholder

I am pleased to provide the Annual Report for CI Resources Limited (Company) for the year ended 30 June 2012, for the operations of the Company and its principal subsidiary Phosphate Resources Limited (PRL).

The reported Statement of Consolidated Income (Profit and Loss) reflects a Net Profit attributable to members of the company of AUD\$11.32 M. This equates to an Earnings Per Share of 15.5 cents.

This is a terrific result for the Company based upon an outstanding performance for the year by PRL.

The PRL Group consolidated profit for the year was a net profit after tax of \$23.3 million, with \$21.0 million profit being achieved from the phosphate mining operations on Christmas Island and \$3.3 million profit being achieved from palm oil plantation and milling operations in the Malaysian peninsula.

As reported by the Chairman of PRL, Mr Clive Brown, the profit for the year exceeded all expectations.

It is recognized by the Board of CI Resources that the Board and Management of PRL have produced a very strong result in difficult circumstances in a year constrained by adverse weather periods, industrial action, and the foundering of the MV Tycoon which limited shipping capacities.

A very substantial achievement for PRL was the securing of the medium term outlook for mining operations on Christmas Island by the obtaining of approvals for clearing permits from the Government after several years of protracted negotiations. This now provides PRL the opportunity to maintain mining operations until the end of the current mining lease in 2019.

The subsidiary company of PRL, CK Plantations Sdn Bhd completed its first full year of operations and was impacted by low palm oil yields across the sector. Whilst budget was not met, the Board of CK Plantations is confident of a return of yields and profitability in coming years.

The Board of CII is supportive of the activities of PRL, which continues to seek new business opportunities, with the clear intent to increase value to shareholders through profits and capital growth for both the short term and long term of the Company.

As Chairman of CII, I would like to thank the Board of CII for their efforts over the year, and to recognize and thank the Board and management of PRL for their dedication and performance over the year.

Yours sincerely



**DAVID SOMERVILLE**  
Executive Chairman

# CI RESOURCES LIMITED

## Corporate directory

### Directors

Mr David Somerville – Chairman

Mr Tee Lip Sin

Mr Tee Lip Jen

Mr Adrian Gurgone

Prof. Anthony Brennan

Mr Kelvin Keh Feng Tan (Appointed 07/06/2012)

Mr Phuar Kong Seng (Resigned 16/02/2012)

### *Share register*

Computershare Investor Services Pty Ltd

Level 2 Reserve Bank Building

45 St Georges Terrace

Perth WA 6000

Telephone +61 8 9323 2000

Facsimile +61 8 9323 2033

### **Auditor**

Ernst & Young

11 Mounts Bay Road

Perth WA 6000

### **Solicitors**

Steinepreis Paganin Lawyers

Level 4 Next Building

**16 Milligan Street**

Perth WA 6000

### **Bankers**

National Australia Bank

1238 Hay Street

West Perth WA 6005

### **Stock exchange listings**

CI Resources Limited shares are listed on the Australian Securities Exchange

Ordinary fully paid shares (ASX code CII)

### **Principal registered office in Australia**

12 Lyall Street

South Perth WA 6151

Telephone +61 8 9489 4444

Email [info@ciresources.com.au](mailto:info@ciresources.com.au)

Website [www.ciresources.com.au](http://www.ciresources.com.au)

## 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 entities it controlled at the end of, or during, the financial year ended 30 June 2012.

#### Directors

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

Mr David Somerville

Mr Tee Lip Sin

Mr Tee Lip Jen

Mr Adrian Gurgone

Prof. Anthony Brennan

Mr Kelvin Keh Feng Tan (Appointed 07/06/2012)

Mr Phuar Kong Seng (Resigned 16/02/2012)

#### Principal activities

During the year, the principal activities of entities within the consolidated entity were:

- mining, processing and sale of phosphate rock, phosphate dust and chalk; and
- providing earthmoving, fuel pilotage, maintenance and stevedoring services to other Christmas Island organizations.
- running a palm oil estate, processing and sale of palm oil products.

#### Dividends

Dividends totaling 1.0 cent per share have been declared and paid during the year ended 30 June 2012. The Directors do not recommend the payment of a final dividend in respect of the year ended 30 June 2012.

No final dividend has been declared or paid.

#### Review of operations

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

	<b>Results</b>
	<b>2012</b>
	<b>\$'000s</b>
Revenue from continuing operations	<u>137,292</u>
Profit before income tax expense	<u>34,040</u>
Income tax expense	<u>(11,168)</u>
Profit attributable to members of CI Resources Limited	<u>22,872</u>

## CI RESOURCES LIMITED

### Directors' report

#### Review of operations (continued)

##### *Financial Position*

At the end of the financial period the consolidated entity had net cash balances of \$36.6M (2011: \$30.5M) and net assets of \$97.1M (2011: \$76.8M).

Total liabilities amounted to \$64.3M (2011: \$76.9M), being trade and other creditors, borrowings and taxation liabilities.

##### *Phosphate Resources Limited*

During the financial year CI Resources continued to acquire shares in Phosphate Resources Limited (PRL). In July 2011, CI Resources acquired a further 102,150 shares under the Creep provisions of the Corporations Act 2001 such that as at 30 June 2012 the company's PRL holding was 50.48% of total voting issued capital.

The Company is represented on the Board of PRL by Mr Tee Lip Sin.

PRL reported a post-tax profit of \$23.3 M for the year ended 30 June 2012, and has paid two dividends during this period. The Company received a total dividend of \$1.38 M from PRL during the year.

##### *Xi Feng International Pte Ltd*

CI Resources holds a 100% interest in Xi Feng, during the prior year Xi Feng sold its interest in the Hua Li mining operations in China. The company holds no other investments and is in the process of being formally deregistered. See Note 37.

<b>Earnings per share</b>	<b>2012</b>	<b>2011</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	<b>15.5</b>	<b>6.2</b>

#### Significant changes in the state of affairs

There was no significant change in the state of affairs of the company or its controlled entities during the financial year other than that referred to in the financial statements or notes thereto.

#### Matters subsequent to the end of the financial year

On the 6 September 2012 the company completed the purchase of additional shares in PRL to bring its total holding in PRL to 53.41%.

Apart from the matters set out above, no other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

#### Likely developments and expected results of operations

The Directors note that current strategies suggest that the 2012 financial year will see the Consolidated Entity remain profitable and in line with the performance of the current year.

## Directors' report

Further information on likely developments in the operations of the consolidated entity and the expected results of those operations have not been included in this report because the Directors believe that it would be likely to result in unreasonable prejudice to the Company.

### Environmental regulation

The Consolidated Entity's operations are subject to environmental regulations in relation to its mining and exploration activities on Christmas Island. Licenses issue by the Commonwealth Government of Australia include general environmental conditions, air pollution control conditions and water control conditions. These conditions regulate the management of mining waste and restoration, dust, liquid chemical storage and water monitoring.

There have been no significant known breaches of the Consolidated Entity's licenses.

### 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 Class Order 98/0100*. The Company is an entity to which the Class Order applies.

### Information on directors

**MR DAVID SOMERVILLE** *Chairman – Non-executive*

*Experience and expertise*

David Somerville holds a Bachelor of Business degree from Curtin University and a Master of Business Administration from Deakin University, he is an Associate member of CPA Australia and a Fellow of the Australian Institute of Management. Mr Somerville has an accounting background having been a senior partner in a large Western Australian accounting practice, before establishing a financial services company which listed on the Australian Securities Exchange in 2007. He has over 25 years experience in a corporate capacity across a number of companies and a number of industry sectors including financial, resources and property development.

*Other directorships*

David Somerville is a director of Questus Ltd, an ASX Listed Company. David is also a director of Energy Made Clean Ltd, a public unlisted company.

**MR TEE LIP SIN** *Director – Non-executive*

*Experience and expertise*

Tee Lip Sin holds an Associate Diploma in Commerce from Curtin University Australia and also a post-graduate Executive Diploma in Plantation Management from the University Malaya.

He has been involved in palm oil milling and management of palm oil plantations since 1995. Currently, he sits on the board of a number of private companies, and is also the Executive Director for the Prosper Group Of Companies which holds six palm oil mills and 50,000 acres of palm oil plantations. He also has experience in operating 35,000 acres of plantation in Indonesia.

*Other directorships*

Mr Tee Lip Sin held no other directorships of ASX listed companies during the last three years.

## Directors' report

### Information on directors (continued)

#### **MR TEE LIP JEN** *Director – Non-executive*

##### *Experience and expertise*

Mr Tee holds a Bachelor of Mechanical Engineering from the Royal Melbourne Institute of Technology (RMIT). Since graduating from Australia, Lip Jen started his career as a Process Engineer in the manufacturing industry for 2 years before expanding his experience as a Project Engineer in a refinery plant specialising in producing downstream palm oil products.

He is currently the Assistant Chief Engineer in charge of overseeing engineering and production activities in seven palm oil mills with an estimated production output of 350,000 metric tonnes of crude palm oil per year. Apart from managing the daily activities in palm oil mills, he is also in charge of overseeing three palm oil plantation estates located in Negeri Sembilan, Malaysia with an estimated acreage of 3,400 acres.

##### *Other directorships*

Mr Tee Lip Jen held no other directorships of ASX listed companies during the last three years.

#### **MR ADRIAN GURGONE** *Director – Non-executive*

##### *Experience and expertise*

Mr Gurgone is an experienced Chartered Accountant and MBA with significant experience in reporting to boards. In senior roles with Deloitte Consulting and other top-tier consulting firms, he has advised multinational and mid-cap organisations across a variety of industries globally. His experience encompasses financial and business analysis, risk management and corporate governance in a variety of industries including Mining and Resources, Education, Telecommunications, Services and Materials. Adrian has also assisted several boards in Australia and overseas in improving organisational performance and in capital allocation.

##### *Other directorships*

Mr Adrian Gurgone held no other directorships of ASX listed companies during the last three years.

#### **PROF. ANTHONY BRENNAN** *Director – Non-executive*

##### *Experience and expertise*

Prof. Brennan holds a Bachelor of Laws degree from the University of Queensland, a Graduate Diploma in Legal Practice and has practised with one of Australia's largest private law firms as a solicitor in the area of corporate advisory, mergers and acquisitions and banking and finance. He has experience in corporate banking and finance transactions including development finance and refinance transactions, infrastructure and project finance, loan facility and security documentation, general corporate banking matters and significant commercial property transactions.

##### *Other directorships*

Anthony Brennan was a director of Questus Ltd (resigned 22 May 2012), an ASX listed company. Anthony has also been a director of public unlisted companies Phosphate Resources Limited and Western Potatoes Limited in the past 3 years.

#### **MR KELVIN KEH FENG TAN** *Director – Non-executive (appointed 07/06/2012)*

##### *Experience and expertise*

Kelvin Tan Keh Feng holds a B. Sc (Hons) degree in Business Study from University of Bradford, England. He has been working in the Palm Oil industry for more than 26 years mainly in Sales and Marketing and recently has taken on the management of the Administration Dept of Prosper Sdn Bhd ("Prosper"). He is currently in charge of administrative, marketing and shipping of timber for the Prosper's Papua New Guinea project.

##### *Other directorships*

Mr Kelvin Keh Feng Tan held no other directorships of ASX listed companies during the last three years.



## Directors' report

### Information on directors (continued)

#### MR PHUAR KONG SENG *Director – Non-executive (resigned 16/02/2012)*

##### *Experience and expertise*

Mr Phuar Kong Seng is an entrepreneur and businessman with many years of experience in running successful businesses. He has worked in the fertiliser and chemical industries since 1979 covering a spectrum of responsibilities ranging from accounts, sale, marketing and management.

##### *Other directorships*

Mr Phuar Kong Seng held no other directorships of ASX listed companies during the last three years.

### Company secretary

**ELIZABETH LEE**, – B Bus, FCIS, Grad.Dip. Corp. Gov. ASX Listed Entities *Company Secretary* (Appointed 8 February 2011)

Elizabeth has over 17 years experience in the areas of corporate governance and company secretarial functions. Prior to joining Questus, Elizabeth held company secretarial positions for Phosphate Resources Limited, Macmahon Holdings Limited, Corporate Compliance Partners and Lend Lease Primelife Limited. Elizabeth also performed contract company secretarial roles with Macquarie Bank Limited and Austock Group Limited. Elizabeth holds a Bachelor of Business majoring in Finance and Business Law from Edith Cowan University, a Graduate Diploma in Corporate Governance from Chartered Secretaries Australia, a Graduate Diploma in Corporate governance for ASX Listed Entities from Kaplan Financial Institute and is a Fellow member of the Chartered Secretaries in Australia.

### Directors' interests in shares and options

As at the date of this report the interests of the Directors in the shares and options of the company were:

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Mr David Somerville	-	-	-	-
Mr Tee Lip Sin	-	14,566,876	-	-
Mr Tee Lip Jen	-	-	-	-
Mr Kelvin Tan Keh Feng	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Mr Adrian Gurgone	-	-	-	-
Mr Phuar Kong Seng *	3,022,000	7,287,410	-	-

\* Mr Phuar Kong Seng resigned as a director on the 16/02/2012

## Directors' report

### Meetings of directors

The number of meetings of the company's board of directors held during the year ended 30 June 2012 and the number of meetings attended by each director were:

	Full meetings of Directors	
	Held	Attended
Mr David Somerville	4	4
Mr Tee Lip Sin	4	4
Mr Tee Lip Jen	4	2
Prof. Anthony Brennan	4	2
Mr Adrian Gurgone	4	3
Mr Kelvin Tan Keh Feng	0	0
Mr Phuar Kong Seng	2	2

**Held** – denoted the number of meetings held during the time the director held office.

### Retirement, election and continuation in office of directors

In accordance with the Constitution Mr David Somerville and Mr Anthony Brennan will retire, in rotation, as directors at the Annual General Meeting to be held in November 2012 and, being eligible, will offer themselves for re-election. Mr Kelvin Keh Feng Tan's appointments will be put forward for ratification.

### Remuneration report (Audited)

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

The information in this section has been audited as required by section 308(3c) of the Corporations Act 2001.

#### *A Principles used to determine the nature and amount of remuneration*

In order to maintain and attract directors to facilitate the efficient and effective management of the Consolidated Entity's operations, the board reviews the remuneration of directors on an annual basis and makes recommendations. The Company does not have a remuneration committee.

Aside from the discretionary bonus disclosed in the remuneration report, no other link exists, at this stage in the Company's development, between financial performance, shareholder wealth and the remuneration of Directors and Key Management Personnel.

#### *Non-executive directors*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board also ensures non-executive directors' fees and payments are appropriate and in line with the market as determined by comparison with companies of a similar size. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

## Directors' report

### Remuneration report (Audited) (continued)

#### Directors' fees

The current base remuneration was last reviewed with effect from 3 July 2007. Directors' remuneration is inclusive of committee fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total maximum currently stands at \$400,000.

Remuneration packages may contain the following key elements:

- Director's fees
- Consultancy fees
- Post employment benefits – superannuation
- Performance bonuses
- Other non-cash benefits

The directors are also remunerated for any additional services they render the Company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors with no interest in the engagement of such services.

#### Executive remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

The Consolidated Entity has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on exploration success as the creation of shareholder value and returns
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution.

The executive pay and reward framework has the following components:

- Fixed remuneration (base salary, superannuation & other non-monetary benefits)
- Variable Remuneration (incentives through participation in bonus arrangements)

The combination of these components comprises the executive's total remuneration.

## Directors' report

### Remuneration report (Audited) (continued)

#### *Fixed Remuneration*

*Base salary*

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the executive's pay is competitive with the market.

*Non-monetary benefits*

Executives may receive benefits including memberships, car allowances and reasonable entertainment.

*Retirement benefits*

Directors and employees are permitted to nominate a superannuation fund of their choice to receive superannuation contributions.

#### *Retirement allowances for directors*

There is no provision for retirement allowances for non-executive directors.

#### *B Details of remuneration*

During the financial year to 30 June 2012 the directors and key management personnel of the company were:

##### *Directors of CI Resources Limited*

Mr David Somerville – *Non-executive Chairman*

Mr Tee Lip Sin – *Non-executive director*

Mr Tee Lip Jen – *Non-executive director*

Prof. Anthony Brennan – *Non-executive director*

Mr Adrian Gurgone – *Non-executive director*

Mr Kelvin Keh Feng Tan – *Non-executive director (appointed 07 June 2012)*

Mr Phuar Kong Seng – *Non-executive director (resigned 16 February 2012)*

##### *Other key management personnel of CI Resources Limited*

Ms Elizabeth Lee – *Company Secretary*

CI RESOURCES LIMITED

Directors' report

Remuneration report (Audited) (continued)

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following tables.

2012	Short-term benefits			Post-employment benefits	Total \$	Performance related
	Cash fees and consulting \$	Bonus \$	Non-monetary benefits \$	Superannuation \$		
<i>Directors of CI Resources Limited</i>						
Mr David Somerville	89,375		3,089		92,464	-
Mr Tee Lip Sin	37,500		3,089		40,589	-
Mr Tee Lip Jen	37,500		3,089		40,589	-
Prof. Anthony Brennan	39,205		3,089	-	42,294	-
Mr Adrian Gurgone	44,000		3,089		47,089	-
Mr Kelvin Keh Feng Tan	-		195		195	-
Mr Phuar Kong Seng	15,000		1,946		16,946	-
<i>Other key management personnel – CI Resources Limited</i>						
Questus Administration Services Pty Ltd (Acctg and Secretarial) *	72,699	-	-	-	72,699	-
Elizabeth Lee	-	-	-	-	-	-
<b>Total</b>	<b>335,279</b>	<b>-</b>	<b>17,586</b>	<b>-</b>	<b>352,865</b>	

\* David Somerville is a director of Questus Administration Services Pty Ltd

The non-monetary benefits include the provision of Directors and Officers insurance.

CI RESOURCES LIMITED

Directors' report

Remuneration report (Audited) (continued)

2011	Short-term benefits			Post-employment benefits	Total \$	Performance related
	Cash fees and consulting \$	Bonus \$	Non-monetary benefits \$	Superannuation \$		
<i>Directors of CI Resources Limited</i>						
Mr David Somerville	58,875		4,411		63,286	-
Mr Tee Lip Sin	22,500		4,411		26,911	-
Mr Tee Lip Jen	-		1,470		1,470	-
Mr Phuar Kong Seng	22,500		4,411		26,911	-
Mr Phua Siak Yeong	28,333		3,308		31,641	-
Prof. Anthony Brennan	65,769		4,411	6,331	76,511	-
Mr Adrian Gurgone	12,833		1,470		14,303	-
<i>Other key management personnel – CI Resources Limited</i>						
Questus Administration Services Pty Ltd (Acctg and Secretarial) *	64,840	-	-	-	64,840	-
Elizabeth Lee	-	-	-	-	-	-
Mosman Management Pty Ltd (D Kelly & J Burns)	72,892	-	-	-	72,892	-
<b>Total</b>	<b>348,542</b>	<b>-</b>	<b>23,892</b>	<b>6,331</b>	<b>378,765</b>	

\* David Somerville is a director of Questus Administration Services Pty Ltd

The non-monetary benefits include the provision of Directors and Officers insurance.

There were no grants of options to any director or other key management personnel during financial year 2011 and 2012.

Directors' report

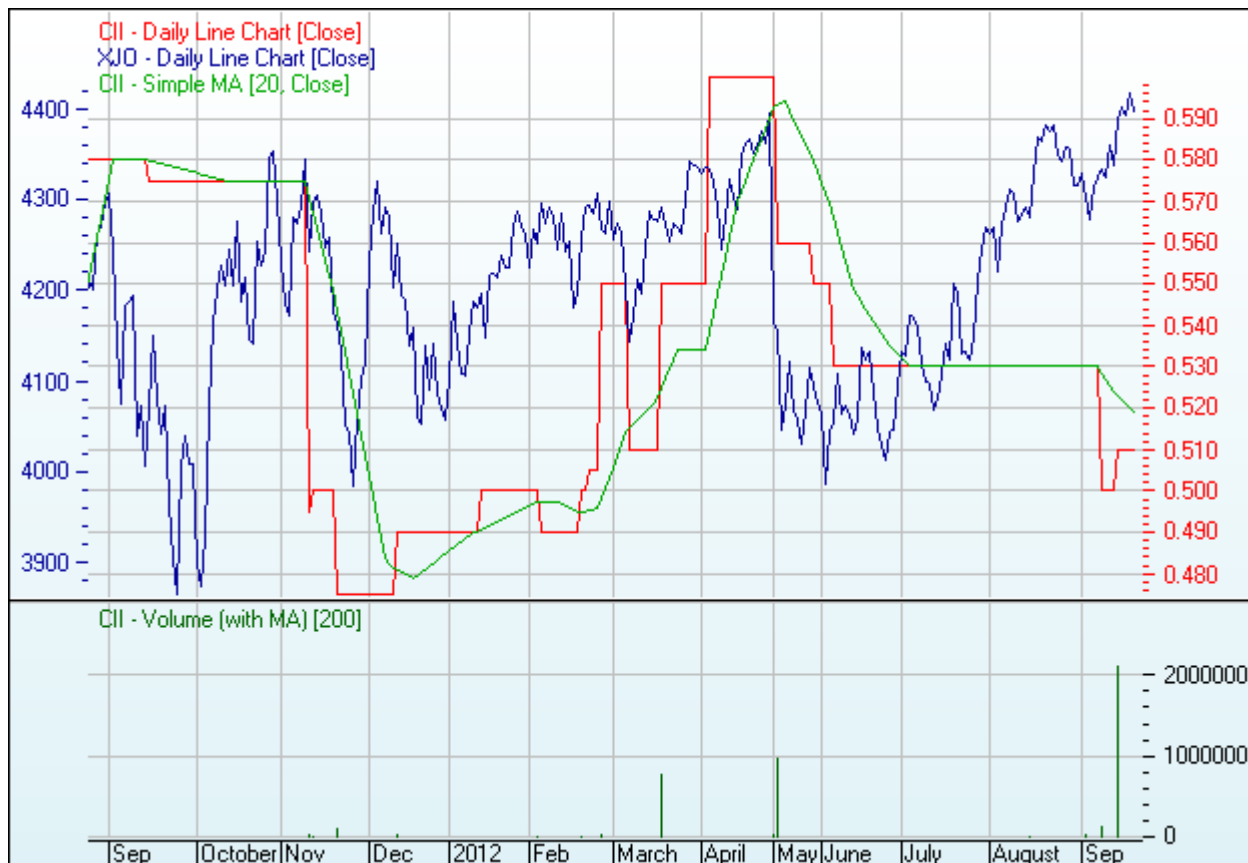
Remuneration report (Audited) (continued)

Company's Performance

Company's share price performance

The Company's share price performance shown in the below graph is a reflection of the Company's performance during the year.

The graph below shows the Company's share price performance during the financial year ended 30 June 2012.



Profit/ (Loss) per share

Below is information on the Consolidated Entity's profit/ (loss) per share for the previous four financial years and for the current year ended 30 June 2012.

	2012	2011	2010	2009	2008
Basic profit/(loss) per share (cents)	15.5	6.2	7.9	24.19	1.56

Awards

No awards were paid or payable during the year.

## CI RESOURCES LIMITED

### Directors' report

#### Remuneration report (Audited) (continued)

##### *C Service Agreements*

Remuneration and other terms of employment for the directors are not formalised in service agreements.

The agreement for the Company Secretary of CI Resources Limited provides for the provision of consulting fees.

Major provisions of the agreements relating to remuneration are set out below.

##### Questus Administration Services Pty Ltd - Company Secretary and Accounting

- Term of agreement – For a period of 3 years, expiring 8 June 2014.
- Base fee of \$6,600 per month for the provision of company secretarial services and an hourly rate of \$180 per hour for additional work outside the scope of this contract.

##### *D Share-based compensation*

There were no share based payments to directors or other key management personnel during this or the previous financial year.

##### *E Additional information*

Given CI Resources Limited is involved in investment activities, the remuneration of the persons referred to above is not dependent on the satisfaction of a performance condition.

##### Loans to directors and executives

There are no loans to directors or executives.

##### Shares under option

There are no unissued ordinary shares of CI Resources Limited under option at the date of this report.

### - End of Audited Remuneration Report -

#### **Shares issued on the exercise of options**

There were no options over ordinary shares and no ordinary shares of CI Resources Limited issued during the period ended 30 June 2012 on the exercise of options.

#### **Insurance of officers**

During the period the Company paid a premium to insure the directors and officers of the Company. Under the terms of the policy the Company cannot publish amounts paid for premiums or the extent of the liabilities insured.

#### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.



**Directors' report**

**Non-audit services**

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	2012	2011
Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:		
General Accounting Advice		
- <i>CI Resources</i>	-	-
- <i>Other members of the Group</i>	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

No non-audit services were provided by the Auditors during the year ended 30 June 2012.

**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 21.

**Auditor**

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

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

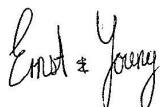


D Somerville  
Chairman  
Perth, Western Australia

28 September 2012

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

In relation to our audit of the financial report of CI Resources Limited for the financial year ended 30 June 2012, 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 cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to R J Curtin.

R J Curtin  
Partner  
28 September 2012

**Corporate Governance disclosures**

During the Consolidated Entity’s financial period the Group has complied with the ASX Principles and Recommendations other than in relation to the matters specified below:

<b>Principle Ref.</b>	<b>Recommendation Ref.</b>	<b>Notification of Departure</b>	<b>Explanation for Departure</b>
2	2.1	A majority of board members are not independent directors	Three of the six board members are considered to be independent including the chairman in accordance with the ASX definition. In view of the size of the Company and the nature of its activities the board considers that the current board is a cost effective and practical method of directing and managing the Company.
2	2.4	The board has not established a nomination committee	The board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the board carries out the process of determining the need for, screening and appointment of new directors. In view of the size of the Company and resources available, it is not considered that a separate nomination committee would add any substance to this process.
8	8.1	The board has not established a remuneration committee	The full board is responsible for setting remuneration levels and individual performance targets. Due to the size of the Company it is considered to be efficient and cost effective. Advice from professional independent advisors will be sought where necessary.

# CI Resources Limited

## Financial report – For the financial year ended 30 June 2012

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CI Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

12 Lyall Street  
South Perth WA 6151

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 28 September 2012. The consolidated entity has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the consolidated entity. All press releases, financial reports and other information are available on our website: [www.ciresources.com.au](http://www.ciresources.com.au)

For queries in relation to our reporting please call +61 8 9489 4444 or e-mail [info@ciresources.com.au](mailto:info@ciresources.com.au)

CI RESOURCES LIMITED

**Consolidated of Statement Comprehensive Income  
For the financial year ended 30 June 2012**

	Notes	<b>Consolidated 2012 \$'000s</b>	<b>2011 \$'000s</b>
<b>Revenue from continuing operations</b>	3a	<b>137,292</b>	<b>106,754</b>
Cost of sales	3b	(87,272)	(77,439)
<b>Gross Profit</b>		<b>50,020</b>	<b>29,315</b>
Other income	3c	1,220	1,857
Other expenses	3d	(15,689)	(16,883)
Finance costs	3e	(1,511)	(626)
<b>Profit from continuing operations before income tax</b>		<b>34,040</b>	<b>13,663</b>
Income tax expense	4	(11,168)	(6,433)
<b>Profit from continuing operations after income tax</b>		<b>22,872</b>	<b>7,230</b>
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations after income tax	35	-	1,555
<b>Profit for the period after income tax</b>		<b>22,872</b>	<b>8,785</b>
<b>Other comprehensive income</b>			
Net currency translation differences		(173)	(278)
Other comprehensive income for the year		(173)	(278)
<b>Total comprehensive income for the year</b>		<b>22,699</b>	<b>8,507</b>
<b>Profit is attributable to:</b>			
Non-controlling interest		11,554	4,251
Members of CI Resources Limited		11,318	4,534
		<b>22,872</b>	<b>8,785</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Non-controlling interest		11,554	4,251
Members of CI Resources Limited		11,145	4,256
		<b>22,699</b>	<b>8,507</b>
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent			
Basic earnings per share		15.5 cents	4.1 cents
Diluted earnings per share		15.5 cents	4.1 cents
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic earnings per share		15.5 cents	6.2 cents
Diluted earnings per share		15.5 cents	6.2 cents

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

CI RESOURCES LIMITED

**Consolidated Statement of Financial Position  
As at 30 June 2012**

		<b>Consolidated</b>	
		<b>2012</b>	<b>2011</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>Current assets</b>			
Cash and cash equivalents	6	36,606	30,523
Trade and other receivables	7	29,486	24,320
Derivative financial assets	8	384	5,308
Inventories	9	12,106	11,912
Total current assets		<b>78,582</b>	<b>72,063</b>
<b>Non-current assets</b>			
Other Financial Asset	10	13,016	10,188
Plant & equipment	11	45,003	45,593
Goodwill	12	7,158	7,635
Biological assets	13,34	11,135	12,332
Deferred tax assets	4	6,549	5,855
Total non-current assets		<b>82,861</b>	<b>81,603</b>
<b>Total assets</b>		<b>161,443</b>	<b>153,666</b>
<b>Current liabilities</b>			
Trade and other payables	15	10,137	12,247
Borrowings	16	5,599	6,536
Tax liability	17	6,307	2,836
Provisions	18	5,814	2,765
Total current liabilities		<b>27,857</b>	<b>24,384</b>
<b>Non-current liabilities</b>			
Borrowings	20	9,863	23,996
Deferred tax liabilities	4	10,424	12,034
Provisions	21	16,162	16,468
Total non-current liabilities		<b>36,449</b>	<b>52,498</b>
<b>Total liabilities</b>		<b>64,306</b>	<b>76,882</b>
<b>Net assets</b>		<b>97,137</b>	<b>76,784</b>
<b>Equity</b>			
Contributed equity	22	17,970	17,970
Reserves	23	1,653	1,673
Accumulated profits	24	29,181	18,592
		<b>48,804</b>	<b>38,235</b>
Non-controlling interest		48,333	38,549
<b>Total equity</b>		<b>97,137</b>	<b>76,784</b>

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

CI RESOURCES LIMITED

**Consolidated Statements of changes in Equity  
For the financial year ended 30 June 2012**

<b>Consolidated</b>	<b>Contributed Equity \$'000s</b>	<b>Foreign currency translation Reserve \$'000s</b>	<b>Gain on Acquis- ition of NCI</b>	<b>Retained earnings \$'000s</b>	<b>Owners of the Parent \$'000s</b>	<b>Non- controllin g Interest \$'000s</b>	<b>Total \$'000s</b>
<b>1 July 2011</b>	<b>17,970</b>	<b>86</b>	<b>1,587</b>	<b>18,592</b>	<b>38,235</b>	<b>38,549</b>	<b>76,784</b>
Profit for the year	-	-	-	11,318	11,318	11,554	22,872
Other comprehensive income for the year	-	(173)	-	-	(173)	-	(173)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(173)</b>	<b>-</b>	<b>11,318</b>	<b>11,145</b>	<b>11,554</b>	<b>22,699</b>
<i>Transactions with owners in their capacity as owners:</i>							
Acquisition of Minority Interest	-	-	153	-	153	(414)	(261)
Dividends paid	-	-	-	(729)	(729)	(1,356)	(2,085)
<b>30 June 2012</b>	<b>17,970</b>	<b>(87)</b>	<b>1,740</b>	<b>29,181</b>	<b>48,804</b>	<b>48,333</b>	<b>97,137</b>
<b>1 July 2010</b>	<b>17,970</b>	<b>364</b>	<b>-</b>	<b>16,244</b>	<b>34,578</b>	<b>39,333</b>	<b>73,911</b>
Profit for the year	-	-	-	4,534	4,534	4,251	8,785
Other comprehensive income for the year	-	(278)	-	-	(278)	-	(278)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(278)</b>	<b>-</b>	<b>4,534</b>	<b>4,256</b>	<b>4,251</b>	<b>8,507</b>
<i>Transactions with owners in their capacity as owners:</i>							
Acquisition of Minority Interest	-	-	1,587	-	1,587	(3,863)	(2,276)
Dividends paid	-	-	-	(2,186)	(2,186)	(1,172)	(3,358)
<b>30 June 2011</b>	<b>17,970</b>	<b>86</b>	<b>1,587</b>	<b>18,592</b>	<b>38,235</b>	<b>38,549</b>	<b>76,784</b>

*The above Consolidated Statements of changes in Equity should be read in conjunction with the accompanying notes.*

CI RESOURCES LIMITED

**Consolidated Statement of Cash Flows  
For the financial year ended 30 June 2012**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	132,296	101,568
Payments to suppliers and employees (inclusive of goods and services tax)	(96,130)	(86,168)
Interest received	561	1,928
Borrowing Costs	(908)	(26)
<b>Net cash flows (used in) / from operating activities before income tax</b>	<b>35,819</b>	<b>17,302</b>
Income taxes paid	(7,640)	(8,058)
<b>Net cash flows (used in) / from operating activities after income tax</b>	<b>28,179</b>	<b>9,244</b>
<b>Cash flows from investing activities</b>		
Movement in term deposits	(2,827)	12,294
Proceeds from the Sale of Investments	-	3,080
Purchase of property, plant and equipment	(1,757)	(1,468)
Acquisition of Subsidiary net of Cash Acquired	-	(44,298)
Acquisition of Shares in Phosphate Resources Limited	(1,151)	(1,386)
Dividends received	-	1,154
<b>Net cash flows (used in) / from operating activities</b>	<b>(5,735)</b>	<b>(30,624)</b>
<b>Cash flows from financing activities</b>		
Borrowings Net Movement	(15,027)	26,738
Dividends paid	(2,085)	(3,357)
<b>Net cash flows from financing activities</b>	<b>(17,112)</b>	<b>23,381</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>5,332</b>	<b>2,001</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>30,523</b>	<b>28,522</b>
Impact of foreign exchange	751	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>36,606</b>	<b>30,523</b>

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



**Notes to the financial statements  
For the year ended 30 June 2012**

**1. Corporate Information**

This financial report of CI Resources Limited ('company') for the year ended 30 June 2012 comprises the Company and its subsidiaries ('Group'). The financial report of CI Resources Limited for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 28 September 2012.

The separate financial statements of the parent entity, CI Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

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

**2. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the financial year ended 30 June 2012, unless otherwise stated.

**Basis of preparation**

The financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for derivatives which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ("S'000"), unless otherwise stated.

The financial report covers the Consolidated Entity of CI Resources Limited and its controlled entities. The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of equity accounted investment on acquisition of the associate and the derivatives which have been measured at fair value.

**(a) Compliance with IFRS**

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

**(b) New accounting standards and interpretations**

**(i) Changes in accounting policy and disclosures.**

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The group has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2011.

- AASB 1054 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2011
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosure on Transfers of Financial Assets (AASB1 & AASB7) effective 1 July 2011
- AASB 2010-9 Amendments to Australian Accounting Standards – Sever Hyperinflation and Removal of Fixed Dates for First-time adopters (AASB1) – effective 1 July 2011
- AASB2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation (AASB127, AASB128 & AASB131) effective 1 July 2011

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(b) New accounting standards and interpretations (continue)**

(i) Changes in accounting policy and disclosures (continue)

The adoption of the above Standards or Interpretations does not have an impact on the financial statements or performance of the group.

AASB 1054 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 July 2011

This standard, with AASB2011-1 relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

- Compliance with Australian Accounting Standards
- The Statutory basis or reporting framework for financial statements
- Whether the entity is a for-profit or not-for profit entity
- Whether the financial statements are general purpose or special purpose
- Audit fees
- Imputation credits

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosure on Transfers of Financial Assets (AASB1 & AASB7) effective 1 July 2011

The amendment increases the disclosure requirements for transactions involving transfers of financial assets but which are not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.

AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time adopters (AASB1) – effective 1 July 2011

In respect of the removal of fixed dates, the amendments provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards. The amendments in respect of severe hyperinflation provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian Accounting Standards financial statements or to present Australian Accounting Standards financial statements for the first time.

AASB2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation (AASB127, AASB128 & AASB131) effective 1 July 2011

This standard makes amendments to:

- AASB127 Consolidated and Separate Financial Statements
- AASB128 Investment in Associates
- AASB131 Interests in Joint Ventures

to extend the circumstances in which an entity can obtain relief from consolidation, the equity method to proportionate consolidation, and relates primarily to those applying to reduced disclosure regime or not-for-profit entities.

AASB2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB112) effective 1 January 2012

These amendments address the determination of deferred tax on investment property measured at fair value and introduce rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB112.

**Notes to the financial statements**  
**For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(b) New accounting standards and interpretations (continue)**

(ii) Accounting Standards and Interpretations issued but not yet effective.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2012. These are outlined in the table below:

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB1, 5, 7, 101, 112, 132, 133, 134, 1039 & 1049]
- AASB 9 – Financial Instruments
- AASB 10 - Consolidated Financial Statements
- AASB 11 - Joint Arrangements
- AASB 12 - Disclosure of Interests in Other Entities
- AASB 13 – Fair value Measurements
- AASB 119 – Employee Benefits
- Interpretation 20 – Stripping costs in the Production Phase of a Surface Mine
- Annual Improvements 2009-2011 The following items are addressed by this standard:
  - o IFRS 1 First-time Adoption of IFRS
    - § Repeated application of IFRS1
    - § Borrowing costs
  - o IAS1 Presentation of Financial Statements
    - § Clarification of the requirements for comparative information
  - o IAS16 Property, plant and equipment
    - § Classification of servicing equipment
  - o IAS32 Financial Instruments: Presentation
    - § Tax effect of distribution to holders of equity instruments
  - o IAS 34 Interim Financial Reporting
    - § Interim financial reporting and segment information for total assets and liabilities
- AASB2011-4 Amendments to Australian Accounting Standards to remove individual key management personnel disclosure requirements
- AASB1053 – Application of Tiers of Australian Accounting Standards – This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements

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

The impact of these amendments for future years has not been assessed by management.

**(c) Basis of consolidation**

The consolidated financial statements comprise the financial statements of CI Resources Limited (“company” or “parent entity”) as at 30 June 2012 and the results of its subsidiaries for the financial year then ended. Interests in associates are equity accounted and are not part of the consolidated Group.

CI Resources Limited and its subsidiaries together are referred to in this financial report as the Group or Consolidated Entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

**Notes to the financial statements**  
**For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

All controlled entities have a June financial year-end with the exception of the companies domiciled in China which have a December year-end.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Phosphate Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit disposal of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(c) Income tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(d) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**(e) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

**Property**

Freehold land and buildings are measured at cost less accumulated depreciation on buildings.

**Plant and equipment**

Plant and equipment are measured on the cost basis less accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from these assets (refer to note 2(l) for accounting policy on recoverable amount).

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land are depreciated on a straight line or diminishing balance basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciation assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Leasehold and strata title properties	Shorter of the lease and 2%
Plant and equipment under lease:	
- the shorter of the lease term and life span	20 – 30%
Plant and equipment	13 – 40%
Mine properties	Life of mine

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

**(f) Mining tenements and exploration expenditure**

Costs incurred during exploration and evaluation activities related to an area of interest are accumulated at cost.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest, or alternatively its sale, or where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to abandoned areas of interest are written off in full in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

**(g) Mine properties**

Costs incurred prior to the start up of operations or mining assets acquired are accumulated at cost. Such costs are only carried forward to the extent that they are expected to be recouped through the successful exploitation of the known reserves.

**Impairment**

The carrying amount of mine properties is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these assets (refer to note 2(l) for accounting policy on recoverable amount).

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(h) Restoration**

Estimated rehabilitation expenditure is recognised as a provision when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provision is charged to the income statement in each accounting period, and is disclosed as a financing cost.

Other changes in the measurement of an existing restoration obligation that result from changes in the estimated timing or amount of future costs, or a change in the discount rate, are recognised as an adjustment to production costs included in cost of goods sold.

**(i) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments of operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(j) Derivative financial instruments**

Derivative financial instruments are used by the Group to provide an economic hedge of exposures to exchange rates. The consolidated entity does not apply hedge accounting and accordingly all fair value movements on derivative financial instruments are recognised in the statement of comprehensive income.

Derivative financial instruments are stated at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. The resulting gain or loss is recognised in profit or loss immediately.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(k) Impairment of non-financial assets other than goodwill**

At each reporting date, the company assesses whether there is any indication that an asset may be impaired.

Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(l) Intangibles**

**Goodwill**

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to the identifiable net assets at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses recognised for goodwill are not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**Research and Development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies indicate that the project will deliver future economic benefits and these benefits can be measured reliably.

**(m) Foreign currency transactions and balances**

**Functional and presentation currency**

The functional currency of each of the group's entities is determined by reference to the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.



**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

**Group companies**

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period

**(n) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(o) Trade and other receivables**

Trade receivables, which generally have 30 to 90 day terms, are carried at nominal amounts due less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written-off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. An estimate for doubtful debts is determined based on the net assets of the related party.

**(p) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**(q) Segment reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers — being the executive management team.

**Notes to the financial statements**  
**For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- ▶ Nature of the products and services
- ▶ Nature of the production processes
- ▶ Type or class of customer for the products and services
- ▶ Methods used to distribute the products or provide the services, and if applicable
- ▶ Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately.

However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

**(r) Business Combination**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred, and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

**(s) Revenue**

**Sale of goods**

Revenue is recognised when there has been a passing of the significant risks and rewards of ownership, which means the following:

2. The product is in a form suitable for delivery and no further processing is required by or on behalf of the consolidated entity;
3. The quantity and quality of the product can be determined with reasonable accuracy;
4. The product has been despatched to the customer and is no longer under the physical control of the consolidated entity;
5. The selling price can be measured reliably;
6. It is probable that the economic benefits associated with the transaction will flow to the consolidated entity; and
7. The costs incurred, or expected to be incurred, in respect of the transaction can be measured reliably.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**Interest**

Revenue is recognised as the Interest accrues using the effective interest rate method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

**Rendering of services**

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

**Dividends**

Revenue is recognised when the right to receive a dividend has been established.

**(t) Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual installments.

**(u) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees up until balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**(v) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(w) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income during the period in which they are incurred.

**(x) Plantation development costs**

Costs incurred on land clearing are capitalised as plantation development costs and is amortised over the economic useful life of the asset (25 years). Costs on the concession lease with a term of 60 years are capitalised and amortised over the remaining term of lease.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(y) Biological assets**

Biological assets which include mature and immature oil palm plantations are stated at fair value less estimated point of sale costs except when the fair value cannot be measured reliably. In this instance, the biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses until such time as its fair value can be reliably measured.

Fresh fruit bunches (which are subsequently milled to become palm oil) is the harvested product of a biological asset and is measured at its fair value less estimated point of sale costs at the point of harvest.

Net movement in fair value less estimated point of sale costs of biological assets are included in the statement of comprehensive income in the year they arise.

**(z) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the Australian Taxation Office, are presented as operating cash flow.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australia Taxation Office.

**(aa) Financial instruments**

**Recognition**

Financial instruments are initially measured at fair value, which includes transaction costs, when the contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets and carried at amortised cost. Loans and receivables are included in receivables in the financial position.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation.

**Impairment**

The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(bb) Investments in associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in consolidated financial statements they reduce the carrying amount of the investment.

**(cc) Investments in associates (continue)**

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(dd) Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(ee) Comparative figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**(ff) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(gg) Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(hh) Significant accounting judgments**

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Assessment of mine life on Christmas Island

The Financial statements have been prepared on the basis that the resource supports continued operations for at least 5 years on the current market parameters and expectations.

Determination of mineral resources and ore reserves

The Group's policy for estimating its mineral resources and ore reserves requires that the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the 'JORC code') be used as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates or production costs may change the economic status of resources and may, ultimately, result in the resources being restated. Such changes in resources could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of ore reserves and mineral resources;
- Future production levels;
- Future commodity prices and foreign exchange rates; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), the appropriateness of the discount rate and the estimated future level of inflation.

**Notes to the financial statements  
For the year ended 30 June 2012**

**2. Summary of Significant Accounting Policies (continue)**

**(ii) Significant accounting estimates and assumptions**

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements or the emergence of new restoration techniques. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

**Fair value of biological assets**

The fair value of the oil palm plantations is estimated by reference to independent professional valuations using the discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations is determined using the market price and the estimated yield of the agricultural produce, being FFB, net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is dependent on the age of the oil palm trees, location of the plantations, soil type and infrastructure. The market price of FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel.

**3. Revenue**

**a) Revenue from continuing operations**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Sales of phosphate and oil	126,858	94,803
Rendering of services	9,459	10,024
Interest income	975	1,927
	<b>137,292</b>	<b>106,754</b>

**b) Cost of sales**

Production costs	65,446	55,290
Shipping & marketing	18,316	19,472
Depreciation	3,510	2,677
	<b>87,272</b>	<b>77,439</b>

**c) Other income**

Commonwealth grants	-	1
Net gain on disposal of assets	6	29
Net foreign exchange gains	1,214	1,827
	<b>1,220</b>	<b>1,857</b>

**Notes to the financial statements  
For the year ended 30 June 2012**

**3. Expenses**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>d) Other expenses</b>		
Government grant expenditure	-	-
Redundancy expense	923	1,192
Depreciation	34	33
Administration	13,109	11,661
Loss on disposal of a subsidiary	-	985
Bad debt expense/(recovery)	-	650
Foreign exchange loss	117	2,274
Allowance for inventory obsolescence	25	88
Write off of goodwill	422	-
Change in fair value of biological assets	1,059	-
	<u>15,689</u>	<u>16,883</u>
<b>e) Finance costs</b>		
Interest expense	904	26
Finance lease	7	-
Accretion on demolition provision	600	600
	<u>1,511</u>	<u>626</u>

**4. Income tax**

The major components of income tax are:

**Statement of Comprehensive Income**

*Current income tax*

Current income tax charge	13,461	6,473
Adjustments in respect of current income tax of previous years	11	(546)

*Deferred income tax*

Relating to origination and reversal of temporary differences	(2,611)	(1,129)
Adjustments in respect of deferred tax of previous years	307	1,635

Income tax expense reported in the <b>Statement of Comprehensive Income</b>	<u>11,168</u>	<u>6,433</u>
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**Notes to the financial statements  
For the year ended 30 June 2012**

**4. Income tax (continue)**

**Consolidated**  
**2012**                      **2011**  
**\$'000s**                      **\$'000s**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting profit before income tax	34,040	13,663
At the Group's statutory income tax rate of 30% (2010: 30%)	10,212	4,098
Income/expenditure not allowable for income tax purposes:		
Add:		
- Adjustments in respect of current income tax of previous years	11	(546)
- Prior year adjustment in respect of temporary difference	307	1,635
- Dividend income received	-	-
- Expenditure not allowable for income tax purposes	757	478
- Franked dividends received	-	(240)
- Deferred tax asset not brought to account	131	1,008
- Difference in global tax rates	(250)	-
Aggregate income tax expense	11,168	6,433

**Notes to the financial statements  
For the year ended 30 June 2012**

**4. Income tax (continued)**

	<i>Statement of Financial Position</i>		<i>Statement of Comprehensive Income</i>	
	<b>2012</b> \$'000s	<b>2011</b> \$'000s	<b>2012</b> \$'000s	<b>2011</b> \$'000s
<b>Deferred income tax</b>				
Deferred income tax at 30 June relates to the following:				
CONSOLIDATED				
<i>Deferred tax liabilities</i>				
Consumables <sup>(i)</sup>	(1,624)	(1,352)	272	410
Other	(8,685)	(9,090)	(405)	3
Mine properties <sup>(i)</sup>	-	-	-	-
Unrealised gains <sup>(i)</sup>	(115)	(1,592)	(1,477)	(567)
Gross deferred income tax liabilities	<u>(10,424)</u>	<u>(12,034)</u>		
<i>Deferred tax assets</i>				
Provisions and accruals <sup>(i)</sup>	5,074	4,434	(640)	(586)
Depreciation – fixed assets <sup>(i)</sup>	1,347	1,215	(132)	(168)
Unrealised forex loss	128	206	78	(206)
Allowance for doubtful debt <sup>(i)</sup>	-	-	-	1,620
Gross deferred income tax assets	<u>6,549</u>	<u>5,855</u>		
Deferred tax income/(expense)			<u>(2,304)</u>	<u>506</u>

(i) Deferred tax balances acquired as part of business combination

This deferred tax asset will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) no changes in tax legislation adversely affect the consolidation entity in realising the benefit.

The parent entity has made non-current provisions for demolition of \$8,104,000 (2011: \$7,504,000) and employee redundancies of \$7,282,000 (2011: \$6,009,000). The future income tax benefit relating to the provision on restoration and demolition is not probable of recovery, as it is believed that when the provisions are required the parent entity may not have future taxable income to utilise the tax benefit. It is opined that 65% of the provision for employee redundancy is probable of recovery on the premise that this proportion of total employee severance will be incurred prior to mine closure.

CI Resources Limited and its wholly owned controlled entities have not entered into a tax consolidation agreement.

**Notes to the financial statements  
For the year ended 30 June 2012**

**5. Earnings per share**

	<b>2012</b>	<b>2011</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15.5	6.2
	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
<b>Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	72,874,102	72,874,102
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>

**Profit used in calculating basic and diluted losses per share**

Net profit	11,318	4,534
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There are no instruments (e.g., share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

<b>Consolidated</b>	
<b>2012</b>	<b>2011</b>
<b>\$'000s</b>	<b>\$'000s</b>

**6. Current assets – Cash and cash equivalents**

Cash at bank and on hand	34,886	28,890
Deposits at call	1,720	1,633
	<b>36,606</b>	<b>30,523</b>

**7. Current assets – Trade and other receivables**

Debtors	28,525	23,554
Prepayments and other receivables	961	766
	<b>29,486</b>	<b>24,320</b>

Trade receivables at 30 June 2012 is in accordance with the terms of the contract and no impairment loss is expected. There are no receivables which are past due and/or impaired.

**Notes to the financial statements  
For the year ended 30 June 2012**

**8. Derivative financial asset**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Forward currency contracts – held for trading <sup>(a)</sup>	384	5,308
	384	5,308

<sup>(a)</sup> *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.

	<b>Notional amounts</b>		<b>Average exchange rate</b>	
	<b>SAUD</b>			
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>		
<b>Sell US\$/buy Australian \$</b>				
<i>Consolidated</i>				
Sell US\$ maturity 0 to 12 months	17,320	25,602	0.9815	0.8281
Sell US\$ maturity 12 to 24 months	-	-	-	-

These contracts are fair valued by comparing the contracted rate to the market rates for contracts with the same length of maturity. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value gains on foreign currency derivatives during the year were \$0.093 million for the Group (2011: gain of \$1.822 million).

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	Level 2	Level 3	Total
	'000	'000	'000	'000
Forward currency contracts – held for trading	-	384	-	384
	-	384	-	384

**Transfer between categories:**

There were no transfer between level 1 and level 2 during the year.

**9. Inventories (current)**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Consumable materials and stores	4,726	3,854
Finished goods	7,380	8,058
	12,106	11,912

**Notes to the financial statements  
For the year ended 30 June 2012**

**10. Other Financial Asset**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Trust fund term deposit	5,235	4,446
Demolition and restoration bonds	2,186	2,059
Other term deposits	5,595	3,683
	13,016	10,188

Under the terms of the current Workplace Agreement between the Union of Christmas Island Workers and Phosphate Resources Limited a trust fund term deposit to meet employee entitlements is maintained. This trust fund may only be used to meet employee entitlements but may be drawn down as they arise. It is supplemented by a minimum amount of \$500,000 annually. The trust fund term deposit currently stands at \$5,235,000 (2011: \$4,446,448). The interest earned on the term deposit of \$288,675 (2011: \$211,140) has been added to the term deposit.

Other term deposits have varying maturities all greater than 12 months and earn interest at commercial rates.

**11. Property, Plant & equipment**

*Leasehold Land*

At cost	26,738	26,839
Accumulated depreciation	(564)	(72)
	26,174	26,767

*Leasehold buildings*

At cost	4,869	4,788
Accumulated depreciation	(2,093)	(1,923)
	2,776	2,865

*Land and buildings*

At cost	383	383
Accumulated depreciation	(146)	(146)
	237	237

*Strata title properties*

At cost	1,215	1,191
Accumulated depreciation	(227)	(211)
	988	980

*Plant and equipment*

At cost	55,897	54,054
Accumulated depreciation and impairment	(44,941)	(42,924)
	10,956	11,130

*Plant and equipment under lease*

At cost	4,079	4,371
Accumulated depreciation	(2,576)	(1,958)
	1,503	2,413

*Construction in progress*

	2,369	1,201
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*Total property, plant and equipment*

At cost	95,550	92,827
Accumulated depreciation and impairment	(50,547)	(47,234)

Net carrying amount	45,003	45,593
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**Notes to the financial statements  
For the year ended 30 June 2012**

**11. Property, Plant & equipment (continued)**

**(a) Assets pledged as security:**

Included in all balances above are assets of Phosphate Resources Limited, Phosphate Resources Properties Pty Ltd and strata title properties of Phosphate Resources (Singapore) Pte Ltd over which first and second mortgages have been granted as security. The terms of the mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder. The shares in Cheekah-Kemayan Plantation Sdn Bhd are pledged as a security on a USD bank loan and the assets of Cheekah-Kemayan Plantation Sdn Bhd are pledged as a security over a bank overdraft facility. The net book values of the assets pledged are:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
	56,138	59,320

**(b) Reconciliations**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

*Leasehold Land*

Carrying amount at beginning	26,767	-
On acquisition of subsidiary	-	26,839
Foreign exchange difference	(100)	-
Depreciation expense	(493)	(72)
	26,174	26,767

*Leasehold buildings*

Carrying amount at beginning	2,865	145
Foreign exchange difference	(8)	(3)
Transfer from construction in progress	91	180
Additions	12	2,675
Depreciation expense	(184)	(132)
	2,776	2,865

*Land and buildings*

Carrying amount at beginning	237	428
Disposal of subsidiary	-	(191)
	237	237

*Strata title properties*

Carrying amount at beginning	980	1,092
Foreign exchange difference	20	(112)
Depreciation expense	(12)	-
	988	980

**Notes to the financial statements  
For the year ended 30 June 2012**

**11. Property, Plant & equipment (continued)**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<i>\$'000s</i>	<i>\$'000s</i>
<b>(b) Reconciliations (continued)</b>		
<i>Plant and equipment</i>		
Carrying amount at beginning	11,130	6,109
Transfer from construction in progress	1,549	2,074
Foreign exchange difference	(76)	(316)
Additions	291	6,390
Transfer from/(to) equipment under lease	-	39
Disposals	(13)	(1,136)
Depreciation expense	(1,925)	(2,030)
	10,956	11,130
	10,956	11,130
Plant and equipment under lease		
Carrying amount at beginning	2,413	2,950
Foreign exchange difference	(4)	-
Additions	30	201
Transfer (to)/from plant and equipment	-	(39)
Depreciation expense	(936)	(699)
	1,503	2,413
	1,503	2,413
Construction in progress		
Carrying amount at beginning	1,201	136
Additions	2,809	3,255
Transferred to plant and equipment	(1,641)	(2,190)
	2,369	1,201
	2,369	1,201

**Notes to the financial statements  
For the year ended 30 June 2012**

**12. Goodwill**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Goodwill arising from business combination (Note 34)	7,635	7,635
Impairment	(422)	-
Impact of foreign exchange	(55)	-
	7,158	7,635

Goodwill acquired through business combination has been allocated to the Palm Oil Cash Generating Unit (“CGU”), which is also a reporting and operating segment for impairment testing. The net carrying amount of Goodwill at 30 June 2012 was 7,158,000 (2011: 7,635,000) which includes an accumulated impairment charge of 422,000 during the year (2011: nil).

The recoverable amount of the Palm Oil CGU has been determined using a value in use calculation using cash flow projections prepared as part of an external valuation of the plantation. The pre-tax discount rates applied to cash flow projections is 11% (2011: 11%) and the cash flows are forecast for 62 years using an initial palm oil price of RM2,600 (2011: RM3,000) and a growth rate of 2.5% (2011: 2.5%). As a result of the analysis, management has recognized an impairment charge of \$422,000 against goodwill previously carried at 7,635,000, which is recorded against other expenses.

**13. Biological Assets**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Carrying amount on acquisition of subsidiary	12,332	12,332
Harvest/amortization	(88)	-
Effect of foreign exchange	(50)	-
Fair value adjustment	(1,059)	-
<b>Carrying amount at end</b>	<b>11,135</b>	<b>12,332</b>

Biological assets consist of mature oil palm trees.

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

A valuation was conducted by Jones Lang Wootton, an independent professional valuer, on a subsidiary's oil palm estate development comprising land, ancillary facilities and biological assets, for the purposes of revaluing the biological assets of the subsidiary as at 30 June 2012.

The Group is exposed to risks in respect of agricultural activity. The agricultural activity of the Group consists of the plantation development and cultivation of palm products.

The primary risk associated with this activity occurs due to the length of time between expending cash on the purchase of planting and maintenance of oil palm plantation and in harvesting, and ultimately receiving cash from sale of palm oil to third parties. The Group's strategy to manage this risk is to get adequate insurance coverage.



**Notes to the financial statements  
For the year ended 30 June 2012**

**14. Investments in controlled entities**

CI Resources Limited owns 100% of Xi Feng International Pte Ltd which is incorporated in Singapore and 50.48% of Phosphate Resources Limited which is incorporated in Australia. The voting power in respect to Phosphate Resources is in proportion to ownership.

**(a) Carrying amounts**

Information relating to controlled entities is set out below:

Name of company	Principal activity	Ownership interest	
		2012	2011
<i>Unlisted</i>			
Phosphate Resources Limited and its controlled entities	Mining	50.48%	49.93%
Xifeng International Pte Ltd	Investment	100.00%	100.00%

**15. Current liabilities – Trade and other payables**

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
Trade payables		10,137	11,357
Other payables		-	890
		<b>10,137</b>	<b>12,247</b>

Trade creditors are non-interest bearing and are normally settled on 30-60 terms.

**16. Current liabilities – Interest bearing loans and borrowings**

Insurance premium funding loan		-	518
Bank loan	16 (a),(b),	4,906	4,656
Lease liability	(c),(d)	693	1,362
		<b>5,599</b>	<b>6,536</b>

**(a) Interest rate risk and liquidity risk**

Details regarding interest rate risk and liquidity risk are disclosed in Note 32.

**(b) Fair value**

The carrying amount of the borrowings approximates their fair value as the borrowings are at floating interest rates which move in accordance with market rates.

**(c) Defaults and breaches**

During the current there were no defaults or breaches on any of the loans.

**(d) Financing facilities available**

At reporting date, the following financing facilities had been negotiated and were available:

Total facilities	15,219	28,454
Facilities utilised at reporting date	(14,719)	(27,954)
Facility unused at reporting date	500	500

**Notes to the financial statements  
For the year ended 30 June 2012**

**17. Current liabilities – Tax liability**

		Consolidated	
	Notes	2012 \$'000s	2011 \$'000s
Tax payable		6,307	2,836

**18. Current liabilities – Provisions**

Employee entitlements		5,814	2,765
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**19. Non-current liabilities – Payables**

Other payables		-	-
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**20. Non-current liabilities – Borrowings**

Bank loan	16 (a),(b), (c),(d)	9,813	23,280
Lease liabilities		50	676
Loans from Associates		-	40
		<u>9,863</u>	<u>23,996</u>

**21. Non-current liabilities – Provisions**

Redundancy	(a)	7,282	6,499
Employee entitlements		776	2,465
		8,058	8,964
Decommissioning and restoration	(b)	8,104	7,504
		<u>16,162</u>	<u>16,468</u>

The amounts employees are entitled to receive if made redundant in accordance with their employment agreements are fully provided. The redundancy provision was increased by a net amount of \$783,000 during the year ended 30 June 2012 (2011: \$1,150,000).

**(b) Provision for decommissioning and restoration**

Based on the Mining Lease Agreement between the Commonwealth Government and Phosphate Resources Limited a provision for decommissioning and restoration has been recognised for costs associated with:

- Demolition of all improvements specified for the removal of all debris resulting from demolition, removal of plant and equipment and leaving the leased land in a safe, clean and tidy condition at the expiry of the lease.

Estimates of the decommissioning and restoration obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the decommissioning and restoration provision, the entity has assumed no significant changes will occur in the relevant Federal and State legislation in relation to demolition or restoration of such mines in the future.

**Notes to the financial statements  
For the year ended 30 June 2012**

**21. Non-current liabilities – Provisions (continue)**

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
<b>(c) Movement in provisions</b>			
<i>Provision for decommissioning and restoration :</i>			
Carrying amount at the beginning of the financial year		7,504	6,904
Additional provision			
Change in net present value of provision:			
- Credited to profit or loss		600	600
Carrying amount at the end of the financial year		<u>8,104</u>	<u>7,504</u>

**22. Contributed equity**

		Number of shares	\$'000s
<b>(a) Share capital</b>			
Ordinary shares – fully paid		<u>72,874,102</u>	<u>17,970</u>
<b>(b) Movements in ordinary share capital</b>			
Date	Details	Number of shares	\$'000s
1 July 2010	Opening balance	<u>72,874,102</u>	<u>17,970</u>
30 June 2011	Closing balance	<u>72,874,102</u>	<u>17,970</u>
30 June 2012	<b>Closing balance</b>	<u>72,874,102</u>	<u>17,970</u>

**(c) Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
Foreign exchange translation reserve		(87)	86
Acquisition reserve		1,740	1,587
		<u>1,653</u>	<u>1,673</u>

*Foreign currency translation reserve*

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

*Acquisition reserve*

Any gain or loss arising on acquisition of non controlling interest of subsidiaries is recognized in this reserve.

**Movements in reserves**

*Foreign exchange translation reserve*

Balance at the beginning of the year	86	364
FX on translation of financial report	(173)	(278)
Balance at the end of the period	<u>(87)</u>	<u>86</u>

**Notes to the financial statements  
For the year ended 30 June 2012**

**24. Retained earnings**

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Accumulated losses at the beginning of the year	18,592	16,244
Net profit attributable to members of CI Resources Limited	11,318	4,534
Dividends paid	(729)	(2,186)
Accumulated profits/(losses) at the end of the financial year	<b>29,181</b>	<b>18,592</b>

**25. Key management personnel disclosures**

**(a) Key management personnel compensation**

Short term employee benefits	<b>353</b>	<b>372</b>
Post employment benefits	-	<b>6</b>
	<b>353</b>	<b>378</b>

**(b) Equity instrument disclosures relating to key management personnel**

*Options provided as remuneration and shares issued on exercise of such options*

There were no options issued to key management personnel for the financial years ended 30 June 2012 and 30 June 2011.

*Option holdings*

No key management personnel held options over ordinary shares in the Group during the current year ended 30 June 2012 (2011: Nil)

*Share holdings*

The numbers of shares in the company held during the financial year by each director and the key management personnel of the consolidated entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

<b>2012</b>				
<b>Name</b>	<b>Balance at the start of the period</b>	<b>Received during the period on the exercise of options</b>	<b>Other changes during the period</b>	<b>Balance at the end of the period</b>
<b><i>Directors of CI Resources Limited</i></b>				
Mr David Somerville	-	-	-	-
Mr Tee Lip Jen	-	-	-	-
Mr Tee Lip Sin	13,779,876	-	787,000	14,566,876
Prof. Anthony Brennan	-	-	-	-
Mr Adrian Gurgone	-	-	-	-
Mr Kelvin Tan Keh Feng (i)	-	-	-	-
Mr Phuar Kong Seng(ii)	10,309,410	-	-	10,309,410
<b><i>Other key management personnel</i></b>				
Ms Elizabeth Lee	-	-	-	-

- (i) Mr Kelvin Tan Keh Feng was appointed on the 7 June 2012
- (ii) Mr Phuar Kong Seng resigned on the 16 February 2012

Other changes does not denote sale of securities, rather that the director has resigned.

**Notes to the financial statements  
For the year ended 30 June 2012**

**25. Key management personnel disclosures (continued)**

2011 Name	Balance at the start of the period	Received during the period on the exercise of options	Other changes during the period	Balance at the end of the period
<b><i>Directors of CI Resources Limited</i></b>				
Mr David Somerville	-	-	-	-
Mr Tee Lip Jen (i)	-	-	-	-
Mr Tee Lip Sin	13,779,876	-	-	13,779,876
Mr Phuar Kong Seng	10,309,410	-	-	10,309,410
Mr Phua Siak Yeong (ii)	-	-	-	-
Prof. Anthony Brennan	-	-	-	-
Mr Adrian Gurgone(i)	-	-	-	-
<b><i>Other key management personnel</i></b>				
Ms Elizabeth Lee	-	-	-	-
Mr Desmond John Kelly (iii)	-	-	-	-
Ms Janelle Burns (iii)	-	-	-	-

- (i) Mr Tee Lip Jen & Mr Adrian Gurgone were appointed on the 18 March 2011  
(ii) Mr Phau Siak Yeong resigned on the 15 March 2011  
(iii) Mr Desmond John Kelly & Ms Janelle Burns resigned on the 3 March 2011

Other changes does not denote sale of securities rather that the director has resigned.

**(c) Loans to key management personnel**

There are no loans made to directors or other key management personnel of CI Resources Limited.

**(d) Other transactions with key management personnel**

There were no other transactions with key management personnel.

Notes	Consolidated	
	2012 \$'000s	2011 \$'000s

**26. Remuneration of auditors**

Amounts received or due and receivable by Ernst & Young (Australia) for:

- audit of the financial report of the parent entity and the consolidated entity	183,990	206,221
- review of the half year financial report of the consolidated entity	64,542	61,540
- other services	5,150	15,000
	<u>253,682</u>	<u>282,761</u>

Amounts received or due and receivable by related practices of Ernst & Young (Australia) for the audit of the financial statements

	33,150	12,688
	<u>33,150</u>	<u>12,688</u>

Amounts received or due and receivable by auditors other than Ernst & Young for:

- an audit or review of the financial report of a controlled entity	8,098	-
	<u>8,098</u>	<u>-</u>
	<u>294,930</u>	<u>295,449</u>

**Notes to the financial statements  
For the year ended 30 June 2012**

**27. Contingent liabilities**

As part of the conditions of sale of the stevedoring and mooring services in January 2007 the Consolidated Entity has agreed that, in the event of premature closure of the Christmas Island mine (and hence cessation of shipping of phosphate) within five years of the date of sale of the business, the purchaser will be reimbursed an amount not exceeding \$200,000 for each year remaining of the five year period as at the date shipping of phosphate ceases.

There are no other contingent assets or liabilities as at the date of this report.

**28. Commitments for expenditure**

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
<b>(a) Lease expenditure commitments</b>			
<i>Operating leases</i>			
- not later than one year		374	274
- later than one year and not later than five years		235	217
- total minimum payments		<u>609</u>	<u>491</u>

Operating leases are entered into as a means of providing residential accommodation and office premises for Phosphate Resources Limited; residential accommodation for Indian Ocean Stevedores Pty Ltd and office equipment for Phosphate Resources (Singapore) Pte Ltd.

*Finance leases*

	2012		2011	
	<i>Minimum Lease Payments</i>	<i>Present Value of Lease Payments</i>	<i>Minimum Lease Payments</i>	<i>Present Value of Lease Payments</i>
	\$'000s	\$'000s	\$'000s	\$'000s
<b>CONSOLIDATED</b>				
Within one year	716	693	1,477	1,362
After one year but not more than five years	58	50	691	676
Total minimum lease payments	<u>774</u>	<u>743</u>	<u>2,168</u>	<u>2,038</u>
Less amounts representing future finance charges	(31)	-	(130)	-
Present value of minimum lease payments	<u>743</u>	<u>743</u>	<u>2,038</u>	<u>2,038</u>

Finance leases are entered into as a means of financing the acquisition of plant and equipment. Finance leases are secured against the plant & equipment being purchased.

- (b) The Company provides a guarantee and indemnity to the Commonwealth Government of Australia (Commonwealth) to ensure the performance of Indian Ocean Oil Company Pty Ltd's obligations under the terms of a 20 year fuel lease arrangement.
- (c) The Company has committed to undertake various environmental management targets and objectives as detailed in the Christmas Island Phosphates Environmental Management Plan.
- (d) The Company has provided a bank guarantee of \$1 million to the Commonwealth Government under the terms of the Mining Lease Agreement.
- (e) The Company has capital commitments of \$0.65 million (2011: \$0.36 million) for items of plant on order but not yet delivered.

**Notes to the financial statements  
For the year ended 30 June 2012**

**29. Related party transactions**

**Directors and other key management personnel**

Disclosures relating to directors and other key management personnel are set out in note 25.

Questus Administration Services Pty Ltd a company which David Somerville is a director of was paid \$72,699 in fees for the provision of Company Secretary and Accounting services.

**Controlling entities**

The ultimate parent entity in the group is CI Resources Limited.

**Ownership interests in related parties**

Interests held in the following classes of related parties are set out in the following Notes:

Controlled entities – Note 16

**30. Events occurring after reporting date**

On the 6 September 2012 the company completed the purchase of additional shares in PRL to bring its total holding in PRL to 53.41%.

Apart from the matters set out above, no other matter or circumstance has arisen since 30 June 2012 that has significantly affected, or may significantly affect:

- a) the consolidated entity's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the consolidated entity's state of affairs in future financial years.

**31. Reconciliation of profit (loss) from ordinary activities after income tax to net cash outflow from operating activities**

	Consolidated	
	2012	2011
Notes	\$'000s	\$'000s
Operating profit (loss) after income tax	22,872	8,785
<i>Adjustment for non-cash items</i>		
Accretion of provision	600	600
Bad debts	-	650
Loss on disposal of subsidiary	-	985
Change in fair value of biological assets	1,059	-
Depreciation	3,544	2,776
Unrealised foreign exchange (gain) / loss	2,966	(190)
Gain on disposal of non-current assets	6	
Impairment of goodwill	422	-
<i>Change in operating assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(5,166)	(7,599)
Movement in deferred tax balances	(2,304)	112
(Increase)/decrease in inventories	(194)	(1,538)
Decrease in trade creditors and accruals	(2,110)	6,106
Increase/(decrease) in provisions	2,743	(112)
Decrease/(increase) in prepayments	-	31
(Decrease)/increase in tax payable	3,741	(1,362)
Net cash inflow/(outflow) from operating activities	28,179	9,244

**Notes to the financial statements  
For the year ended 30 June 2012**

**32. Financial instruments and financial risk management**

The Group's principal financial instruments comprise receivables, payables, finance leases, cash and short-term deposits, long-term deposits, interest bearing loans and borrowings, and foreign exchange derivatives.

Market, liquidity and credit risk (including foreign exchange, commodity price and interest rate risk) arise in the normal course of the Group's business.

The Group manages its exposure to key financial risks, including interest rate, currency and commodity risk in accordance with the Group's risk management procedures. The overall objective of these procedures is to:

- Ensure that net cash flows are sufficient to meet all financial commitments as and when they fall due.
- Support the delivery of the Group's financial targets whilst protecting future financial security.
- Minimise the potential adverse effects resulting from volatility on financial markets.

The Group continually monitors its forecast financial position against these criteria.

It is, and has been throughout the period under review, Group policy that no speculative trading in financial instruments be undertaken

*(i) Interest rate risk*

The Group's exposure to market interest rates relates primarily to the Group's long term debt obligations. Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

The interest rates for term deposits are fixed and there is no material risk for interest bearing assets. There is no other financial asset or liability bearing interest rate risk except for interest bearing loans and borrowings, the sensitivity of which is disclosed below.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date:

At 30 June 2012, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

	<b>Consolidated Higher/(Lower)</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Judgments of reasonably possible movements:		
<i>Post tax profit</i>		
+1.0% (100 basis points)	<b>318</b>	<b>(305)</b>
-1.0% (100 basis points)	<b>(318)</b>	<b>305</b>

Reasonable possible movements in interest rates were determined based on the Group's mix of debt in Australia and foreign countries, relationship with financial institutions and review of last two years' historical movements and economic forecaster's expectations.

CI Resources, both parent and group, is exposed to interest rate risks in Australia. To minimise the effects of the potential adversities, the management attempt to limit these effects through constant reviewing of the financial markets.



**Notes to the financial statements  
For the year ended 30 June 2012**

**32. Financial instruments and financial risk management (continued)**

*(ii) Liquidity Risk*

The Group's liquidity position is managed to ensure that sufficient funds are available to meet its financial commitments in a timely and cost effective manner.

Management monitors the Group's liquidity reserve on the basis of expected cash flow. The table below reflects a balanced view of cash inflows and outflows and shows the implied risk based on those values. Trade payables and other financial liabilities originate from the financing of assets used in the Group's ongoing operations. These assets are considered in the Group's overall liquidity risk.

Management continually reviews the Group liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels.

**Maturity analysis of financial assets and liabilities based on contractual maturity**

*Consolidated*

<b>Year ended 30 June 2012</b>	≤6 months	6-12 months	1-5 years	>5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash	36,606	-	-	-	36,606
Trade and other receivables	29,486	-	-	-	29,486
Term deposits	-	13,015	-	-	13,015
Foreign exchange contracts	241	143	-	-	384
	<b>66,333</b>	<b>13,158</b>	-	-	<b>79,491</b>
<b>Financial liabilities</b>					
Trade and other payables	10,197	-	-	-	10,197
Interest bearing loans and borrowings	3,039	3,013	10,290	-	16,342
	<b>13,236</b>	<b>3,013</b>	<b>10,290</b>	-	<b>26,539</b>

<b>Year ended 30 June 2011</b>	≤6 months	6-12 months	1-5 years	>5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash	30,523	-	-	-	30,523
Trade and other receivables	24,320	-	-	-	24,320
Term deposits	-	10,188	-	-	10,188
Foreign exchange contracts	3,134	2,174	-	-	5,308
	<b>57,977</b>	<b>12,362</b>	-	-	<b>70,339</b>
<b>Financial liabilities</b>					
Trade and other payables	12,247	-	-	-	12,247
Insurance premium funding loan	259	259	-	-	518
Bank Loan	2,358	2,358	24,805	-	29,521
Lease Liabilities	681	681	676	-	2,038
Loans from Associates	-	-	40	-	40
	<b>15,545</b>	<b>3,298</b>	<b>25,521</b>	-	<b>44,364</b>

*(iii) Credit risk*

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure.

Financial instruments that potentially subject the consolidated entity to concentrations of credit risk consist principally of cash deposits and receivables. The Group places its cash deposits and derivatives with high credit-quality financial institutions. Receivables balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant.

**Notes to the financial statements  
For the year ended 30 June 2012**

**32. Financial instruments and financial risk management (continued)**

*(iv) Derivative instruments and foreign currency risk*

The Group's future revenues are exposed to movements in foreign exchange rates, particularly the US dollar/Australian dollar rate. The Group may from time to time enter into foreign exchange derivative instruments to manage this exposure.

The Group has, as outlined in note 8, forward currency contracts designated as held for trading that are subject to fair value movements through profit or loss as foreign exchange rates move.

At 30 June 2012, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

*Judgments of reasonably possible movements:*

	Post tax profit Higher/Lower	
	2012 \$'000s	2011 \$'000s
<i>Consolidated</i>		
AUD/USD + 10%	(1,707)	(2,327)
AUD/USD - 10%	1,552	2,560

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years historical movements.
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

*(v) Fair values*

The Directors have performed a review of the financial assets and liabilities as at 30 June 2012 and have concluded that the fair value of those assets and liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Cash - The carrying amount is fair value due to the liquid nature of these assets.
- Receivables/payables - due to the short term nature of these financial rights and obligations, and/or market interest received/paid, their carrying values are estimated to represent their fair values.
- Derivatives - The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
- Finance lease liability – The fair value is the present value of minimum lease payments.
- Bank loan – All the bank loans of the Group are interest bearing with floating interest rates which move in accordance with the market interest rates. Therefore the fair value of the bank loans approximates their carrying value.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide shareholders and stakeholders in the future and to maintain an optimal capital structure to reduce the cost of capital.

Management are constantly adjusting the capital structure as suitable. As the market is constantly changing, management may change the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

During 2012, management paid dividends of \$2,084,683 (2011:\$ 3,357,507).

Management have no current plans to issue further shares on the market.

**Notes to the financial statements  
For the year ended 30 June 2012**

**33. Parent entity information**

	Notes	Consolidated	
		2012 \$'000s	2011 \$'000s
Current assets		2,388	3,150
Total assets		13,625	13,222
Current liabilities		614	568
Total liabilities		614	568
Issued capital		17,970	17,970
Retained earnings		(4,959)	(5,328)
Total shareholders' equity		13,011	12,654
Profit of the parent entity		1,086	949
Total comprehensive income		1,086	949

There have been no guarantees entered into by the Parent Entity in relation to any debts of its subsidiaries.

The parent has no contingent liabilities as at date of this report.

The Parent Entity has no contractual commitments for the acquisition of property, plant or equipment.

**Notes to the financial statements  
For the year ended 30 June 2012**

**34. Business combination**

**Acquisition of Cheekah-Kemayan Plantation SDN. BHD.**

Effective 1 May 2011 Phosphate Resources Limited, acquired a 100% interest in Cheekah-Kemayan Plantations SDN. BHD. a company incorporated in Malaysia with principal activities of oil palm cultivation and palm oil processing. The total cost of the acquisition was \$ 48.293 million and was settled by way of cash.

The fair value of the identifiable assets acquired as at the date of the acquisition are:

	<b>CONSOLIDATED</b>	
	<b>Recognised on acquisition \$'000s</b>	<b>Acquiree Carrying value \$'000s</b>
Cash	2,436	2,436
Trade and other receivables	412	412
Inventory	621	622
Property, plant and equipment*	35,950	12,855
Biological assets*	12,448	2,088
Goodwill arising on acquisition	7,635	-
	59,502	18,413
Trade payables	(1,881)	(1,881)
Hire purchase	(89)	(89)
Tax payable	(124)	(124)
Deferred tax liability	(9,115)	(1,480)
	(11,209)	(3,574)
Fair value of identifiable net assets	48,293	
Direct cost of acquisition**	535	
Fair value of consideration paid:		
Cash	46,735	
Deferred consideration	1,558	
Total consideration paid	48,293	
The cash outflow on acquisition is as follows:		
Net cash acquired with the subsidiary	2,436	
Cash paid	(46,735)	
Net consolidated cash outflow	(44,299)	

\* The fair value of property, plant and equipment and biological assets acquired as part of business combination and related deferred tax liability has been determined provisionally and based upon the best information available as the initial accounting was not complete as at the reporting date.

\*\* Acquisition costs are disclosed under administrative expenses in this financial report.

The consolidated statement of comprehensive income includes sales revenue and net profit for the year ended 30 June 2011 of \$9.99m and \$0.88m respectively, as a result of the acquisition of Cheekah-Kemayan Plantations Sdn Bhd. Had the acquisition of Cheekah-Kemayan Plantations Sdn Bhd occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and profit of \$60.7m and \$3.8m respectively.

**Notes to the financial statements  
For the year ended 30 June 2012**

**35. Discontinued Operations**

**Details of operations disposed**

On 21 March 2011 Xi Feng International Pte Ltd entered into agreement with Fertiliser Futures Ltd to sell its entire interest of 18.1% in Phosphate Resources (Hua Li) Ltd (“PRL Hua Li”). The disposal was completed on 24 March 2011, on which date control of the business was passed to the acquirer.

On 18 April 2011 Phosphate Resources (China) Ltd entered into agreement with Fertiliser Futures Ltd to sell its entire interest of 59.275% in Phosphate Resources (Hua Li) Ltd (“PRL Hua Li”). The disposal was completed on 31 May 2011, on which date control of the business was passed to the acquirer.

PRL Hua Li held investment in Kaiyang County Tenglong Mineral Resources Enterprise which was engaged in exploration, mining, ore processing and sales of apatite and apatite related product. PRL Hua Li also owned direct interest in mine properties.

Due to continued difficulties, cost uncertainties and constant regulatory changes the directors of the group decided to sell group’s interest in PRL Hua Li.

**36. Segment reporting**

**Segment Reporting for the year ended 30 June 2012**

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

**Notes to the financial statements  
For the year ended 30 June 2012**

**36. Segment reporting (continued)**

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

Deferred tax assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment.

	Year ended 30 June 2012			Total \$'000
	Phosphate Sale \$'000	Palm Oil Sale \$'000	Unalloc/ Elimination \$'000	
<b>Revenue</b>				
Revenue from external customers	92,626	33,497	-	126,123
Interest income	657	-	318	975
Stevedoring	-	-	1,784	1,784
Rendering of services	-	-	7,710	7,710
Other sales	-	-	700	700
Total segment revenue	93,283	33,497	10,512	137,292
<b>Result</b>				
Segment net operating profit after tax (attributable to parent)	20,075	1,795	1,002	22,872
Depreciation and amortisation	2,082	1,007	421	3,510
Income tax expense	9,554	820	794	11,168
<b>Assets and Liabilities</b>				
Segment assets	88,018	61,885	11,540	161,443
Segment liabilities	49,359	12,372	2,575	64,306

**Segment Reporting for the year ended 30 June 2012**

The company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments have been identified by management based on the manner in which the product is sold or service provided.

The company has three operating segments, that being the Sale of Phosphate, Stevedoring Services and Other. The Other segment consists of the Oil, Australia and Singaporean operations.

**Accounting policies and inter-segment transactions**

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the accounts and in the prior period except as follows:

*Corporate charges*

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue so as to determine segmental results.

*Income tax expense*

Income tax expense is calculated based on the segment operating net profit using the notional charge of 30% (2010: 30%). No effect is given for taxable or deductible temporary differences.

**Notes to the financial statements  
For the year ended 30 June 2012**

**36. Segment reporting (continued)**

	<b>Year ended 30 June 2011</b>			
	Phosphate Sale	Palm Oil Sale	Unalloc.	Total
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
Revenue from external customers	84,817	9,986	-	94,803
Interest income	1,029	-	898	1,927
Stevedoring	-	-	2,242	2,242
Rendering of services	-	-	7,782	7,782
Total segment revenue	85,846	9,986	10,922	106,754
<b>Result</b>				
Segment net operating profit after tax (attributable to parent)	6,780	888	1,117	8,785
Depreciation and amortisation	2,005	279	492	2,776
Income tax expense	5,451	370	612	6,433
Profit/(loss) from discontinued operations after income tax (including share of Non-Controlling Interest)	1,555			1,555
<b>Assets and Liabilities</b>				
Segment assets	73,027	62,451	18,189	153,667
Segment liabilities	52,674	13,470	10,640	76,784

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:

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Australia	93,283	95,508
China	-	-
Malaysia	33,497	9,986
Other foreign countries	10,512	1,260
	<u>137,292</u>	<u>106,754</u>

*Major customers*

The Group has number of customers to which it provides the products. There are no customers of the Group who account for more than 10% of total external revenue in 2012 and 2011.

*Non-Current Assets by geographical regions:*

	<b>Consolidated</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Australia	27,812	24,080
China	-	-
Malaysia	53,124	56,242
Other foreign countries	1,924	1,281
	<u>82,860</u>	<u>81,603</u>

**Directors' declaration  
For the year ended 30 June 2012**

In accordance with a resolution of the Directors of CI Resources Limited, I state that:

In the directors' opinion:

(a) The financial statements comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes set out on pages 21 to 63 are in accordance with the *Corporations Act*

2001, including:

(i) complying with Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2011 and of their performance, for the year ended on that date; and

(a) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(d) the audited remuneration disclosures set out on pages 12 to 19 of the directors' report comply with section 300A of the *Corporations Act 2001*; and

The directors have been given the declarations by the chief executive officer and the chief financial officer required by section 295A of the *Corporations Act 2001*.

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



**D Somerville**  
Chairman

Perth  
28 September 2012



## Independent auditor's report to the members of CI Resources Limited

### Report on the financial report

We have audited the accompanying financial report of CI Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

#### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence*

In conducting our audit 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.

## Opinion

In our opinion:

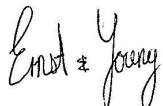
- a. the financial report of CI Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Report on the remuneration report


We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the Remuneration Report of CI Resources Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

A stylized signature of the Ernst & Young firm, written in black ink.

Ernst & Young

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

R J Curtin  
Partner  
Perth  
28 September 2012

# CI RESOURCES LIMITED

## ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

### SHAREHOLDINGS

#### Substantial shareholders

The following substantial shareholders have lodged notices with the Company as at 18 September 2012:

<b>Holders</b>	<b>Ordinary shares</b>
Prosper Trading Sdn Bhd	14,566,876
Keen Strategy Sdn Bhd	12,000,000
Destinasi Emas Sdn Bhd	7,437,410
Poo Ah Lam	3,675,371

#### Class of shares and voting rights

At 18 September 2012 there were 320 holders of ordinary shares on the Company. The voting rights attaching to the ordinary shares are:

- On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction shall be equivalent to the proportion which the amount paid is of the total amounts paid and payable, excluding amounts credited, provided that the amounts paid in advance of a call are ignored when calculating a true portion.

#### Distribution of share holders

<b>Category</b>	<b>Ordinary shares</b>
1 - 1,000	65
1,001 - 5,000	59
5,001 - 10,000	104
10,001 - 100,000	60
100,001 - and over	<u>32</u>
	<b>320</b>

There were 62 holders of less than a marketable parcel of ordinary shares.

#### On-market buy back

There is no current on-market buy back.

#### Restricted securities

The Company does not have any restricted securities.

# CI RESOURCES LIMITED

## ASX Additional Information

### Unquoted securities

The Company does not have any unquoted securities

### Twenty largest holders of ordinary shares (as at 18 September 2012)

Holder name	Ordinary shares	
	Number	%
PHILLIP SECURITIES PTE LTD <CLIENT ACCOUNT>	33,445,517	45.89
KEEN STRATEGY SDN BHD	12,000,000	16.47
PROSPER TRADING SDN BHD	11,616,000	15.94
KLUANG PTY LTD	1,050,000	1.44
MR WILLY SEE KHIANG TEO	1,049,761	1.44
CITICORP NOMINEES PTY LIMITED	920,157	1.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	883,606	1.21
MS MEE YUEN YONG	835,572	1.15
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	749,560	1.03
MR SEE KHIANG WILLY TEO	731,429	1.00
RIVERTREE PTY LTD <THE PHOENIX ACCOUNT>	711,293	0.98
MR PHILIP TUCK SANG WOO	605,715	0.83
SEE KHIANG TEO	527,286	0.72
MR HANG PHOO TAN	500,000	0.69
DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	435,324	0.60
MR KRISHNAN RAMANATHAN	407,673	0.56
MR XU YI HAO	378,657	0.52
FULLONG WORLDWIDE LIMITED	311,750	0.43
GREAT PIONEER CONSULTANTS LTD	311,750	0.43
MR WILLY SEE KHIANG TEO	308,000	0.42
	<b>67,779,050</b>	<b>93.01</b>

### Other information

CI Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company's shares are quoted on the Australian Securities Exchange.