

APPENDIX 4E: PRELIMINARY FINAL REPORT

2008

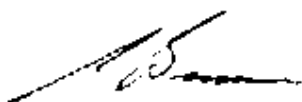
RESULTS FOR ANNOUNCEMENT TO THE MARKET

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A

Current reporting period: 30 June 2008

Previous corresponding period: 31 December 2007

For and on behalf of the directors



Mr Clive Brown
Chairman

Dated: 31 August 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and net profit		AUD \$'000's
Revenue from ordinary activities	down 23% to	551
Profit from ordinary activities after tax attributable to members	up 109% to	2,885
Net profit for the period attributable to members	up 109% to	2,885

Dividends

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

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Commentary

The Preliminary Final Report includes the results of CI Resources Limited (“Company” or “CI Resources”) and the Consolidated Entity (“Group”) which includes the Company’s subsidiary Xi Feng International Pte Ltd (“Xi Feng”). Xi Feng has an investment in Guizhou Tianfeng Chem-Phos Company Ltd (“GTFC”) which it equity accounts.

The Company’s other major asset is an investment in Phosphate Resources Limited (“PRL”) which the Company equity accounts.

The Consolidated Entity is reporting a profit of \$2,884,807.

Review of operations

Phosphate Resources Limited

The Board of CI Resources has worked towards maximising the value of its investment and is still the largest shareholder in PRL, holding 38.77%.

The Company is represented on the Board of PRL by Mr Clive Brown and Mr Anthony Brennan. Mr Lai Ah Hong and Mr Willy Teo are also directors of PRL.

PRL reported a post-tax profit of \$7.4 million for the year ended 30 June 2008 and has paid two dividends during this time. CI Resources is accounting for only one of these dividends as the Company has recently changed its financial year and this report covers only the period 1 January to 30 June 2008.

PRL is continuing its attempts to obtain more land to mine on Christmas Island which will extend the mine life and its ability to provide returns to its shareholders particularly in the current market where the demand for Phosphate is strong.

Xi Feng International Pte Ltd

CI Resources holds a 51% interest in Xi Feng which in turn holds a 32% interest in GTFC. GTFC is a fertiliser manufacturer and also holds a 30% interest in the Teng Long Phosphate Mine. Xi Feng has reported a profit of SGD 217,684 (AUD 172,662) for the six months to 30 June 2008.

Significant changes in the state of affairs

1. The Company has had approval from the Australian Securities and Investments Commission to change its financial year to end on 30 June of each year. This report covers the period from 1 January to 30 June 2008.
2. On 30 January 2008 the Company released the following statement to the market:

CI Resources Limited, owns a 51% interest in the Singaporean company, Xifeng International Pte Ltd, which in turn holds a 32% interest in Guizhou Tiangfeng Chem-Phos Co Ltd in the Peoples’ Republic of China.

Guizhou Tiangfeng Chem-Phos Co Ltd owns the Pingba fertiliser plant in Guizhou, which is capable of producing sulphuric acid, monammonium phosphate (MAP) and NPK (nitrogen/phosphorous/ potassium) fertilisers.

CI Resources Limited has been informed that the Qingzhen City Environmental Protection Court has identified pollutants being discharged from the gypsum waste dump at the Pingba plant, and has ordered the major shareholder to prevent this pollutant run-off.

The order required the MAP plant to cease operations by 31 March 2008 if action is not taken to prevent the discharge.

The waste dump was established at least ten years before Xifeng International Pte Ltd invested in the plant, and certain environmental obligations rest with the former owner of the plant.

CI Resources Limited, through its investment in Xifeng International, is currently seeking resolution of this issue with the major shareholder and the directors consider that the Company has no potential liability.

The Board of CI Resources Limited confirms that the company is committed to upholding the highest standards of environmental responsibility.

Other than those matters shown above, no significant changes in the state of affairs of the Consolidated Entity occurred during the financial period.

Net tangible asset backing

	30 June 2008	31 Dec 2007
	\$	\$
Net assets	16,445,763	13,702,606
<i>Less</i> intangible assets	-	-
Net tangible assets of the company	16,445,763	13,702,606
Fully paid ordinary shares on issue at balance date	72,874,102	72,874,102
Net tangible asset backing per issued ordinary share as at balance date (cents)	22.57	18.80

Earnings per share

Basic earnings/(loss) per share (cents)	3.95	1.89
---	-------------	------

Audit details

The financial statements of CI Resources, its subsidiary Xi Feng and its associate GTFC are currently in the process of being audited. It is expected that the audit report of GTFC will include a qualification in relation to the uncertainty of the value of that company's investment in the Teng Long Phosphate Mine as the mine does not get audited in accordance with International Audit and Accounting Standards. The qualification will in turn flow through to the audit reports of Xi Feng and CI Resources.

CI RESOURCES LIMITED

Income Statements
For the year ended 30 June 2008

		Consolidated		Parent entity	
	Notes	Six months to	2007	Six months to	2007
		30 June 2008	\$	30 June 2008	\$
		\$		\$	
Revenue from continuing operations	2	550,532	715,457	550,532	715,457
Share of net profits in associates		2,881,386	1,411,240	-	-
Purchase of finished goods		-	-	-	-
Depreciation expense		(375)	(765)	-	-
Foreign exchange loss		(4,232)	(12,228)	(3,608)	(10,291)
Directors remuneration and employee expenses		(85,072)	(168,208)	(85,072)	(168,208)
Accounting, audit, legal and other professional services		(333,544)	(351,441)	(294,631)	(276,427)
Administration, corporate and travel expenses	3	(87,545)	(129,428)	(86,135)	(120,424)
Share of net losses of associates		(110,962)	-	-	-
Profit before income tax		2,810,188	1,464,627	81,086	140,107
Income tax expense	4	-	-	-	-
Profit after income tax		2,810,188	1,464,627	81,086	140,107
Loss/(Profit) attributable to minority equity interests		74,619	(84,605)	-	-
Profit/(Loss) attributable to members of CI Resources Limited		2,884,807	1,380,022	81,086	140,107
		Cents	Cents		
Basic earnings/(loss) per share	5	3.95	1.89		

The above Income Statements should be read in conjunction with the accompanying notes.

CI RESOURCES LIMITED
**Balance Sheets
As at 30 June 2008**

		Consolidated		Parent entity	
	Notes	30 June 2008	31 Dec 2007	30 June 2008	31 Dec 2007
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	6	5,059,596	5,005,399	5,043,099	4,974,823
Trade and other receivables	7	54,360	35,011	52,532	33,422
Total current assets		5,113,956	5,040,410	5,095,631	5,008,245
Non-current assets					
Plant & equipment	8	465	842	-	-
Investments accounted for using the Equity method	9	11,556,505	8,862,538	-	-
Other financial assets	10	-	-	6,468,944	6,451,253
Total non-current assets		11,556,970	8,863,380	6,468,944	6,451,253
Total assets		16,670,926	13,903,790	11,564,575	11,459,498
Current liabilities					
Trade and other payables	13	225,163	201,184	159,220	135,229
Total current liabilities		225,163	201,184	159,220	135,229
Total liabilities		225,163	201,184	159,220	135,229
Net assets		16,445,763	13,702,606	11,405,355	11,324,269
Equity					
Contributed equity	14	17,970,336	17,970,336	17,970,336	17,970,336
Reserves	15	(165,820)	(98,789)	-	-
Accumulated losses	16	(2,509,856)	(5,394,663)	(6,564,981)	(6,646,067)
		15,294,660	12,476,884	11,405,355	11,324,269
Minority equity interest		1,151,103	1,225,722	-	-
Total equity		16,445,763	13,702,606	11,405,355	11,324,269

The above Balance Sheets should be read in conjunction with the accompanying notes.

CI RESOURCES LIMITED

**Statements of changes in equity
For the year ended 30 June 2008**

Notes	Consolidated		Parent entity	
	Six months to 30 June 2008 \$	2007 \$	Six months to 30 June 2008 \$	2007 \$
Total equity at the beginning of the financial year	13,702,606	12,324,294	11,324,269	11,184,161
Translation of foreign entities and associates	(67,031)	(86,315)	-	-
Total income and expense recognised in equity	(67,031)	(86,315)	-	-
Profit/(loss) for the year	2,884,807	1,464,627	81,086	140,107
Minority interest	(74,619)	-	-	-
Total recognised income and expense for the year	2,743,157	1,378,312	81,086	140,107
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity net of transaction costs	-	-	-	-
Total equity at the end of the financial year	16,445,763	13,702,606	11,405,355	11,324,269

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CI RESOURCES LIMITED

Cash flow Statements
For the year ended 30 June 2008

		Consolidated		Parent entity	
	Notes	Six months to	2007	Six months to	2007
		30 June 2008	\$	30 June 2008	\$
		\$		\$	
Cash flows from operating activities					
Payments to suppliers and employees (inclusive of goods and services tax)		(492,103)	(619,366)	(460,957)	(484,211)
Dividends received		398,154	464,513	398,154	464,513
Other		18,613	-	18,613	-
Interest received		133,765	250,944	133,765	250,945
Net cash inflow from operating activities	24	58,429	96,091	89,575	231,245
Cash flows from financing activities					
Loans to subsidiary		-	-	(17,691)	(129,611)
Net cash (outflow) from financing activities		-	-	(17,691)	(129,611)
Net increase (decrease) in cash and cash equivalents held		58,429	96,091	71,884	101,635
Cash and cash equivalents at the beginning of the financial year		5,005,399	4,921,536	4,974,823	4,883,479
Foreign exchange		(4,232)	(12,228)	(3,608)	(10,291)
Cash and cash equivalents at the end of the financial year	6	5,059,596	5,005,399	4,043,099	4,974,823

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. 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 year ended 30 June 2008, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Accounting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

The financial report covers the Consolidated Entity of CI Resources Limited and its controlled entity, and CI Resources Limited as an individual parent entity. The financial report has also been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRSs ensures that the financial statements and notes of CI Resources Limited comply with International Financial Reporting Standards (IFRSs).

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the consolidated entity's accounting policies.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of CI Resources Limited ("company" or "parent entity") as at 30 June 2008 and the results of the subsidiary for the financial period then ended.

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

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) 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.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Financial instruments

Recognition

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

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

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 balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are reflected at fair value except investments in unlisted companies, which are held at cost. Unrealised gains and losses arising from the changes in fair value are taken directly to equity.

Financial liabilities

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

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Income Statement unless they are designated as hedges.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(g) Intangibles – Goodwill

Goodwill and goodwill on consolidation are 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 its net assets at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(h) Investments in associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the group's share of post acquisition reserves of associates.

(i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 consolidated entity 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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

Increases in the carrying amount arising on the revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use.

The depreciation rates used for plant and equipment range from 5% to 33%. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(j) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of the group's entities is measured using the currency of the primary economic environment in which the 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 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 date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the loss or gain 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 on that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly the group's foreign currency translation reserve in the Balance Sheet. These differences are recognised in the Income Statement in the period in which the operation is disposed.

(k) 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.

(l) Comparative figures

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

The Consolidated entity has had approval from the Australian Securities and Investments Commission to change its financial year to a June end and thus the current statements represent six months only whereas the previous comparative period represents a full 12 months.

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(n) 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.

(o) 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).

(p) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(q) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(r) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(s) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the consolidated entity's identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(t) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(u) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) Provisions

Provisions for legal claims are recognised when: the consolidated entity has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(w) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Retirement benefit obligations

The consolidated entity contributes to various defined contribution funds for its employees.

Contributions to the defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

The fair value of options granted to employees is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

The market value of shares issued to employees for no cash consideration under the employee share scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(x) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

**Notes to the financial statements
For the year ended 30 June 2008**

Note 1. Summary of Significant Accounting Policies (continued)

(y) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the income statement over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities, unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with arrangement of borrowings. Borrowing costs are expensed as incurred except when it related to a qualifying asset in which case it would be capitalised.

(z) New accounting standards and interpretations

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2008. They have not been adopted in preparing the financial report for the year ended 30 June 2008 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

STANDARDS LIKELY TO HAVE A FINANCIAL IMPACT

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 123 (revised June 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 January 2009	The transitional provisions of this standard only require capitalisation of borrowing costs on qualifying assets where commencement date for capitalisation is on or after 1 January 2009. As such, there will be no impact on prior period financial statements when this standard is adopted.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
IFRS 3 (revised 2008)	Business Combinations	Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.	Business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1 July 2009 or later	As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, due to the nature of some of the changes in the revised standard, business combinations that the entity undertakes after this date may in future impact negatively on the results of the entity. For example, acquisition costs will have to be expensed instead of being recognised as part of goodwill. Specific changes in respect of step acquisitions and sell downs may introduce situations whereby adopting the revised standard may improve profitability.
IAS 27 (revised 2008)	Consolidated and Separate Financial Statements	The revised standard clarifies that changes in ownership interest which result in control being retained are accounted for within equity as transactions with owners. Losses will be attributed to the non-controlling interest even if this results in a debit balance for the non-controlling interest. Investments retained where there has been a loss of control will be recognised at fair value at date of sale.	Periods commencing on or after 1 July 2009	As there is no requirement to retrospectively restate the effect of these revisions, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, Xi Feng International Pte Ltd may incur losses. To the extent that Xi Feng incurs losses for the financial year ending 31 December 2010, such losses will be attributed to the non-controlling interest. No adjustment will be made to comparatives for losses not previously attributed to the non-controlling interest.

Notes to the financial statements
For the year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

AASB reference	Title and Affected Standard(s):	Nature of Change	Application date:	Impact on Initial Application
AASB 2008-1 (issued February 2008)	Amendments to AASB 2 – Share-based Payments – Vesting Conditions and Cancellations	The definition of <i>vesting conditions</i> has changed and the accounting treatment clarified for cancellations to share-based payment arrangements by the counterparty. This is to ensure that conditions other than performance conditions do not result in a ‘true up’ of the share-based payment expense and are treated in a manner similar to market conditions.	Periods commencing on or after 1 January 2009	To date the entity has not issued any options to employees that include non-vesting conditions and as such there will be no impact on the financial statements when this revised standard is adopted for the first time.
AASB 8 (Issued Feb 2007) ¹	Operating Segments	Replaces the disclosure requirements of AASB 114: <i>Segment Reporting</i> .	Periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment).
AASB 101 (Revised Sep 2007)	Presentation of Financial Statements	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on or after 1 January 2009	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements.

Notes to the financial statements
For the year ended 30 June 2008

	Consolidated		Parent entity	
	Six months to	2007	Six months to	2007
	30 June 2008	\$	30 June 2008	\$
	\$		\$	

Note 2. Revenue

Revenue from continuing operations

Dividends received	398,154	464,513	398,154	464,513
Interest received	133,765	250,944	133,765	250,944
Sundry income	18,613	-	18,613	-
	550,532	715,457	550,532	715,457

Note 3. Expenses

Profit/(Loss) before income tax includes the following expenses:

Administration, corporate and travel expenses includes the following

Travel and accommodation	45,940	48,678	45,940	48,678
ASIC and ASX fees	2,320	27,448	2,320	27,448
Rental expense	4,960	3,375	4,960	2,400

Note 4. Income tax

(a) Income tax expense

Tax at the Australian tax rate of 30%	865,442	439,388	24,326	42,032
Add/(Less) tax effect of:				
Franking credits on gross income	51,191	59,723	51,191	59,723
Other non-deductible items	21,506	26,262	10,415	25,680
Other deductible items	-	(3,931)	-	(3,931)
Share of associates net profits	(864,416)	(345,557)	-	-
	73,723	175,885	85,932	123,504
Franking credits	(170,636)	(123,504)	(170,636)	(123,504)
Utilisation of prior period tax losses	-	(52,381)	-	-
Income tax expense attributable to parent entity	-	-	-	-

Notes to the financial statements
For the year ended 30 June 2008

	Consolidated		Parent entity	
	Six months to	2007	Six months to	2007
	30 June 2008	\$	30 June 2008	\$
	\$		\$	

Note 4. Income tax (continued)

(b) The components of tax expense comprise:

Current tax	-	(52,381)	-	-
Utilisation of prior period tax losses	-	52,381	-	-
	-	-	-	-

(c) The estimated potential deferred tax benefits not brought to account at 30%

Revenue losses	1,456,331	1,530,054	1,154,452	1,240,384
Capital losses	528,218	528,218	528,218	528,218
	1,984,549	2,085,218	1,682,670	1,768,602

The potential future income tax benefit will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the Company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit.

Note 5. Earnings per share

	Six months to
	30 June 2008
	Cents
Basic earnings per share	3.95
	2007
	Number
Weighted average number of shares used as the denominator	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	72,874,102
	Six months to
	30 June 2008
	\$
Profit used in calculating basic and diluted losses per share	
Net profit	2,884,807

CI RESOURCES LIMITED

**Notes to the financial statements
For the year ended 30 June 2008**

Note 5. Earnings per share (continued)

	2007 Cents
Basic earnings per share	1.89
	2007 Number
Weighted average number of shares used as the denominator	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.	<u>72,874,102</u>
	2007 \$
Loss used in calculating basic losses per share	
Net loss	<u>1,380,022</u>

	Consolidated		Parent entity	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	\$	\$	\$	\$

Note 6. Current assets – Cash and cash equivalents

Cash at bank and on hand	3,110,773	3,124,693	3,094,276	3,094,117
Deposits at call	1,948,823	1,880,706	1,948,823	1,880,706
	<u>5,059,596</u>	<u>5,005,399</u>	<u>5,043,099</u>	<u>4,974,823</u>

Note 7. Current assets – Trade and other receivables

Other debtors	<u>54,360</u>	<u>35,011</u>	<u>52,532</u>	<u>33,422</u>
---------------	----------------------	---------------	----------------------	---------------

Note 8. Non-current assets – Plant and equipment

Plant & equipment

Plant & equipment – at cost	3,258	3,258	-	-
Less: accumulated depreciation	(2,793)	(2,416)	-	-
	<u>465</u>	<u>842</u>	<u>-</u>	<u>-</u>

Reconciliation

Reconciliation of the carrying amounts of plant and equipment at the beginning and end of the current financial period is set out below.

Plant & equipment

At the beginning of the year	842	1,607	-	-
Depreciation expense	(377)	(765)	-	-
Closing net book amount	<u>465</u>	<u>842</u>	<u>-</u>	<u>-</u>

Notes to the financial statements
For the year ended 30 June 2008

	Consolidated		Parent entity	
	30 June 2008	31 December	30 June 2008	31 December
	\$	2007	\$	2007
		\$		\$

Note 9. Non-current assets – Investments accounted for using the equity method

The Consolidated Entity has a 32% interest in the ordinary shares of Guizhou Tianfeng Chem-Phos Company Ltd, a fertilizer manufacturing company incorporated in China, and also a 38.77% interest in the ordinary shares of Phosphate Resources Limited which operates a phosphate mine on Christmas Island.

(a) Associated companies

Guizhou Tianfeng Chem-Phos Company	2,488,869	2,676,288	-	-
Phosphate Resources Limited	9,067,636	6,186,250	-	-
	11,556,505	8,862,538	-	-

(b) Reconciliation

At the beginning of the year	8,862,538	2,511,859	-	-
Investments equity accounted for the first time	-	5,034,393	-	-
Share of associated company's profit/(loss)			-	-
Guizhou Tianfeng Chem-Phos Company	(110,962)	259,383	-	-
Less: Minority interest	74,619	(84,605)	-	-
Phosphate Resources Limited	2,881,386	1,151,857	-	-
Foreign currency adjustments	(151,076)	(10,349)	-	-
	11,556,505	8,862,538	-	-

(c) These investments are not recorded at fair value because their fair values cannot be reliably measured. Fair values cannot be readily determined as there is no publicly available information to support the fair values. The directors have determined that at 30 June 2008 and 31 December 2007, there is no readily available and ascertainable information and therefore cannot disclose the requirements of paragraph 30 (c) of AASB 7. It is the intention of the Board to review its equity holdings in Xi Feng and GTFC. The Board intends to maintain the equity holdings in PRL and does not intend to dispose of this investment in the foreseeable future.

Note 10. Non-current assets – Other financial assets

Shares in unlisted companies – at cost	-	-	5,034,393	5,034,393
Shares in controlled entities – at cost	-	-	1,656,477	1,656,477
Provision for impairment	-	-	(468,000)	(468,000)
Amounts receivable from controlled entities	-	-	246,074	228,383
	-	-	6,468,944	6,451,253

The fair value shares in unlisted companies and shares in controlled entities cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost. Management has determined that the estimate of total consolidated fair values for unlisted investments would range in values exceeding the cost of the total investment. Unlisted investments exist within markets which would permit the assets to be disposed of if required.

CI RESOURCES LIMITED

**Notes to the financial statements
For the year ended 30 June 2008**

Note 11. Investments in associates

(a) Carrying amounts

Information relating to associates is set out below:

			Consolidated		Parent entity	
			30 June 2008	31 December	30 June 2008	31 December
			\$	2007	\$	2007
				\$		\$
Name of company	Principal activity	Ownership interest				
Unlisted						
Phosphate Resources Limited	Mining	38.77%	9,067,636	6,186,250	5,034,393	5,034,393
Xi Feng International Pte Ltd	Investment	51%	-	-	1,188,477	1,188,477
Guizhou Tianfeng Chem-Phos Company	Mining	N/A	2,488,869	2,676,288	-	-

The above associate is incorporated in Australia

(b) Movements in carrying amounts

	Consolidated	
	30 June 2008	31 December 2007
	\$	\$
<i>Phosphate Resources Limited</i>		
Carrying amount at the beginning of the financial year	6,186,250	5,034,393
Share of profits/(losses) after income tax	2,881,386	1,151,817
Carrying amount at the end of the financial year	9,067,636	6,186,250
<i>Guizhou Tianfeng Chem-Phos Company</i>		
Carrying amount at the beginning of the financial year	2,676,288	2,511,859
Share of profits/(losses) after income tax	(36,343)	
Foreign currency adjustments	(151,076)	164,429
Carrying amount at the end of the financial year	2,488,869	2,676,288
(c) Share of associates profits or losses		
<i>Phosphate Resources Limited</i>		
Profit/(loss) before income tax	4,116,266	1,863,557
Income tax expense	(1,234,880)	(711,740)
Profit after income tax	2,881,386	1,151,817
<i>Guizhou Tianfeng Chem-Phos Company</i>		
Profit/(loss) before income tax	(36,343)	164,429
Income tax expense	-	-
Profit after income tax	(36,343)	164,429

Notes to the financial statements
For the year ended 30 June 2008

Note 12. Controlled entities

CI Resources Limited owns 51% of Xi Feng International Pte Ltd which is incorporated in Singapore. The voting power in respect to Xi Feng International Pte Ltd is in proportion to ownership.

	Consolidated		Parent entity	
	30 June 2008	31 December	30 June 2008	31 December
	\$	2007	\$	2007
		\$		\$

Note 13. Current liabilities – Trade and other payables

Trade payables	74,127	141,830	30,190	75,875
Other payables	151,036	59,354	129,030	59,354
	225,163	201,184	159,220	135,229

Note 14. Contributed equity

		Number of	\$
(a) Share capital		shares	
Ordinary shares – fully paid		72,874,102	17,970,336
(b) Movements in ordinary share capital			
Date	Details	Number of	Issue
		shares	price
			\$
1 January 2007	Opening balance	72,874,102	17,970,336
31 December 2007	Closing balance	72,874,102	17,970,336
30 June 2008	Closing balance	72,874,102	17,970,336

(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.

	Consolidated		Parent entity	
	30 June 2008	31 December	30 June 2008	31 December
	\$	2007	\$	2007
		\$		\$

Note 15. Reserves

Foreign exchange translation reserve	(165,820)	(98,789)	-	-
--------------------------------------	------------------	----------	---	---

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(j). The reserve is recognised in profit and loss when the net investment is disposed of.

Movements in reserves

Foreign exchange translation reserve

Balance at the beginning of the year	(98,789)	(12,475)	-	-
FX on translation of financial report	(67,031)	(86,314)	-	-
Balance at the end of the year	(165,820)	(98,789)	-	-

CI RESOURCES LIMITED

Notes to the financial statements For the year ended 30 June 2008

	Consolidated		Parent entity	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	\$	\$	\$	\$

Note 16. Accumulated losses

Accumulated losses at the beginning of the year	(5,394,663)	(6,774,685)	(6,646,067)	(6,786,175)
Net profit/(loss) attributable to members of CI Resources Limited	2,884,807	1,380,022	81,086	140,107
Accumulated losses at the end of the financial year	(2,509,856)	(5,394,663)	(6,564,981)	(6,646,067)

Note 17. Key management personnel disclosures

(a) Directors

The following persons were directors of CI Resources Limited during the whole of the financial year, unless otherwise stated:

Chairman - non-executive

Mr Clive Morris Brown

Non-executive directors

Mr Anthony Brennan

Dato Dr Mohamad Hashim Bin Ahmad Tajudin

Mr Lip Sin Tee

Mr Phuar Kong Seng (elected 30 May 2007)

Mr Lai Ah Hong (elected 30 May 2008)

Mr Willy Teo (elected 30 May 2008)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial period:

Name	Position
Desmond John Kelly	Joint Company Secretary
Janelle Burns	Joint Company Secretary

	Consolidated		Parent entity	
Notes	Six months to 30 June 2008	2007	Six months to 30 June 2008	2006
	\$	\$	\$	\$

(c) Key management personnel compensation

Short term employee benefits	80,200	248,354	80,200	248,354
Post employment benefits	4,275	32,162	4,275	32,162
	84,475	280,516	84,475	280,516

CI RESOURCES LIMITED

**Notes to the financial statements
For the year ended 30 June 2008**

Note 17. Key management personnel disclosures (continued)

(d) 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 six months ended 30 June 2008 and the financial year ended 31 December 2007.

Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of CI Resources Limited and other key management personnel of the company, including their personally-related parties, are set out below.

2008						
Name	Balance at the start of the period	Granted during the period as remuneration	Exercised during the period	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period
<i>Directors of CI Resources Limited</i>						
Mr Clive Morris Brown	-	-	-	-	-	-
Mr Anthony Brennan	-	-	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	-	-	-	-	-	-
Mr Tee Lip Sin	-	-	-	-	-	-
Mr Phuar Kong Seng	-	-	-	-	-	-
Mr Lai Ah Hong	-	-	-	-	-	-
Mr Willy Teo	-	-	-	-	-	-
<i>Other key management personnel</i>						
Mr Desmond John Kelly	-	-	-	-	-	-
Ms Janelle Burns	-	-	-	-	-	-

2007						
Name	Balance at the start of the period	Granted during the period as remuneration	Exercised during the period	Other changes during the period	Balance at the end of the period	Vested and exercisable at the end of the period
<i>Directors of CI Resources Limited</i>						
Mr Clive Morris Brown	-	-	-	-	-	-
Mr Anthony Brennan	-	-	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin	-	-	-	-	-	-
Mr Tee Lip Sin	-	-	-	-	-	-

No options were vested and unexercisable at the end of the financial year.

Notes to the financial statements
For the year ended 30 June 2008

Note 17. Key management personnel disclosures (continued)

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.

2008				
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
<i>Directors of CI Resources Limited</i>				
Mr Clive Morris Brown	-	-	-	-
Mr Anthony Brennan	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin *	12,000,000	-	-	12,000,000
Mr Lip Sin Tee **	11,616,000	-	761,440	12,377,440
Mr Phuar Kong Seng***	-	-	10,424,410	10,424,410
Mr Lai Ah Hong****	-	-	1,821,096	1,821,096
Mr Willy Teo*****	-	-	2,487,762	2,487,762
<i>Other key management personnel</i>				
Mr Desmond John Kelly	-	-	-	-
Ms Janelle Burns	-	-	-	-

* 12,000,000 ordinary shares are held by CCM International Sdn Bhd, a company of which Dato Dr Mohd Hashim is a director.

** 12,377,440 ordinary shares are held by Prosper Trading Sdn Bhd, a company of which Mr Tee Lip Sin is a director.

*** 7,287,410 ordinary shares are held by Destinasi Emas Sdn Bhd, a company of which Mr Phuar Kong Seng is a director.

**** 1,644,724 ordinary shares are held by Kluang Pty Ltd and 176,372 ordinary shares are held by The Lai Super Fund, entities of which Mr Lai Ah Hong is a director and joint trustee, respectively.

***** 148,572 ordinary shares are held by the spouse of Mr Willy Teo.

2007				
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
<i>Directors of CI Resources Limited</i>				
Mr Clive Morris Brown	-	-	-	-
Mr Anthony Brennan	-	-	-	-
Dato Dr Mohamad Hashim Bin Ahmad Tajudin *	12,000,000	-	-	12,000,000
Mr Lip Sin Tee **	-	-	11,616,000	11,616,000
<i>Other key management personnel</i>				
Mr Desmond John Kelly	-	-	-	-
Ms Janelle Burns	-	-	-	-

* 12,000,000 ordinary shares are held by CCM International Sdn Bhd, a company of which Dato Dr Mohd Hashim is a director.

** 11,616,000 ordinary shares are held by Prosper Trading Sdn Bhd, a company of which Mr Lip Sin Tee is a director.

CI RESOURCES LIMITED

Notes to the financial statements For the year ended 30 June 2008

Note 17. Key management personnel disclosures (continued)

(e) Loans to key management personnel

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

(f) Other transactions with key management personnel

The Company has entered into a project specific contract with Mr Anthony Brennan whereby he will provide consulting services for a specific project at a fee of \$7,500 +GST per month. The contract dates from 1 December 2007 and was terminated on 30 May 2008.

Notes	Consolidated		Parent entity	
	Six months to 30 June 2008	2007	Six months to 30 June 2008	2006
	\$	\$	\$	\$

Note 18. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms.

Assurance services

Audit services

BDO Kendalls Audit & Assurance (WA) Pty Ltd:

Audit and review of financial reports and other audit work under the *Corporations Act 2001*

27,500	43,370	27,500	43,370
--------	--------	--------	--------

Audit services

Other auditors of subsidiaries:

Audit and review of financial reports of subsidiaries

17,623	50,231	-	-
45,123	93,601	27,500	43,370

Note 19. Contingent liabilities

As at 30 June 2008 the Consolidated Entity had no contingent liabilities.

Note 20. Commitments for expenditure

As at 30 June 2008 the Consolidated Entity has no commitments for expenditure.

Note 21. Related party transactions

Directors and other key management personnel

Disclosures relating to directors and other key management personnel are set out in note 17.

Notes to the financial statements
For the year ended 30 June 2008

Note 21. Related party transactions (continued)

Controlling entities

The ultimate parent entity in the wholly-owned 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 23

Note 22. Events occurring after reporting date

There are no matters or circumstances that have arisen since 30 June 2008 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.

Note 23. Subsidiaries

Name of entity	Country of incorporation	Class of shares	Equity holding 2007
Xi Feng International Pte Ltd	Singapore	Ordinary	51%

	Notes	Consolidated		Parent entity	
		Six months to	2007	Six months to	2006
		30 June 2008	\$	30 June 2008	\$
		\$		\$	

Note 24. Reconciliation of profit(loss) from ordinary activities after income tax to net cash outflow from operating activities

Operating profit (loss) after income tax	2,884,807	1,380,022	81,086	140,107
Share of associates net (profits)/losses	(2,770,424)	(1,411,240)	-	-
Minority interest	(74,619)	84,605	-	-
Depreciation	377	765	-	-
Other	13,658	20,867	3,608	-
Impairment of investment	-	-	-	-
Change in operating assets and liabilities				
(Increase)/decrease in receivables	(19,349)	(10,729)	(19,110)	(3,449)
(Increase)/decrease in other operating assets	-	-	-	-
Increase/(decrease) in payables	23,979	31,801	23,991	94,587
Net cash inflow/(outflow) from operating activities	58,429	96,091	89,575	231,245

Notes to the financial statements
For the year ended 30 June 2008

Note 25. Financial instruments and financial risk management

CI Resources is exposed to risks from movements in interest rates and foreign exchange risks that affect its assets and liabilities. Financial risk management aims to limit these market risks through focusing on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company and the Group.

(i) Interest rate risk

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.

2008					
Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total	Weighted average effective interest rate
Consolidated Entity and Parent	\$	\$	\$	\$	%
<i>(i) Financial assets</i>					
Cash assets	3,110,773	1,948,823	-	5,059,596	7.5
Trade and other receivables	-	-	54,360	54,360	-
Investments – equity accounted	-	-	11,556,505	11,556,505	-
Total financial assets	3,110,773	1,948,823	11,610,865	16,670,461	
<i>(ii) Financial liabilities</i>					
Trade and other payables	-	-	225,163	225,163	-
Total financial liabilities	-	-	225,163	225,163	
2007					
Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total	Weighted average effective interest rate
Consolidated Entity and Parent	\$	\$	\$	\$	%
<i>(i) Financial assets</i>					
Cash assets	3,124,693	1,880,706	-	5,005,399	6.5
Trade and other receivables	-	-	35,011	35,011	-
Investments – equity accounted	-	-	8,862,538	8,862,538	-
Total financial assets	3,124,693	1,880,706	8,897,549	13,902,948	
<i>(ii) Financial liabilities</i>					
Trade and other payables	-	-	201,184	201,184	-
Total financial liabilities	-	-	201,184	201,184	

Notes to the financial statements
For the year ended 30 June 2008

Note 25. Financial instruments and financial risk management (continued)

(ii) Foreign currency risk

The Group and parent are exposed to fluctuations in the Australian dollar against the Singaporean dollar. The risk is managed by reference to potential adverse effects in the market. For the Group and parent, directors believe the potential exchange rate effects would not have a material effect to the income statement or equity.

(iii) Liquidity Risk

The Group has no significant exposure to liquidity risk as there is effectively no debt, however should there be a risk of a non-material nature then the group manages liquidity risk by monitoring forecast cash flows.

The Group nor the parent is not subject to any other risks other than those described above.

Capital risk management

The Group and the parent entity'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.

As at 31 December 2006 and 2007 the entity attempted to ensure the parent and the Group was debt free, the gearing ratios for both the parent and Group was:

	Consolidated		Parent entity	
	30 June 2008	31 December	30 June 2008	31 December
	\$	2007	\$	2007
		\$		\$
Total debt	-	-	-	-
Total equity	16,445,763	13,702,606	11,405,355	11,324,269
Gearing ratio	0%	0%	0%	0%