APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2018

CI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ACN 006 788 754

Reporting Period

This information should be read in conjunction with the 30 June 2018 annual financial report.

Current reporting period: 31 December 2018
Previous corresponding period: 31 December 2017

Results for announcement to the market

	31 Dec 2018 $'000's	31 Dec 2017 $'000's	% Change
Revenue from continuing operations	77,831	89,506	-13.0%
Net profit for the period	10,685	11,523	-7.3%
Profit from ordinary activities after tax attributable to members	10,685	11,523	-7.3%
Total comprehensive income for the period attributable to members	11,786	14,047	-16.1%

Earnings Per Share

	31 Dec 2018	31 Dec 2017
Basic and Diluted	9.24 cents	9.97 cents

Dividends

Dividends totalling 5 cents per share have been paid during the half year ended 31 December 2018. The Directors recommend the payment of an interim dividend of 1.5 cents per share.

Date the interim dividend is payable 19 April 2019
Record date to determine entitlements to the dividend 22 March 2019
Date interim dividend was declared 27 February 2019

APPENDIX 4D – HALF YEAR REPORT (Continued)

PERIOD ENDED 31 DECEMBER 2018

CI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ACN 006 788 754

Net Tangible Asset Backing Per Security

	31 Dec 2018	31 Dec 2017
Fully paid ordinary shares on issue at balance date	115,581,107	115,581,107
Net tangible asset backing per issued ordinary share as at balance date	169.2 cents	155.3 cents

Additional Appendix 4D disclosure requirements can be found in the directors' report and the 31 December 2018 half year report and accompanying notes.

Significant changes in the state of affairs of the Company

No significant changes took place during the period in the state of affairs of the consolidated entity.

Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

For and on behalf of the directors:

David Somerville
Director

Dated: 27 February 2019

CI Resources Limited

ACN 006 788 754

Half Year Report
For the half-year ended 31 December 2018

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CI RESOURCES LIMITED

Directors' report

Your directors present their half year report on the consolidated entity ("Group") consisting of CI Resources Limited ("CII" or "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

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

Mr David Somerville
Mr Lai Ah Hong
Dato' Sri Tee Lip Sin
Mr Tee Lip Jen
Mr Adrian Gurgone
Dato' Sri Kamaruddin bin Mohammed
Mr Clive Brown

Dividends

Dividends totalling 5 cents per share have been paid during the half year ended 31 December 2018. The Directors propose paying a fully franked interim dividend of 1.5 cents per share issued with the record date being set at 22 March 2019 with payment to be made on the 19 April 2019.

Review of operations

The Consolidated Entity is reporting a net profit for the period of $10.685M for the half-year ended 31 December 2017 (31 December 2017: $11.523M).

The Company continues to experience soft market conditions in the 2019 financial year, with phosphate sales volumes weaker than the same period in the prior year. This resulted in sales of approximately 315,000 tonnes for the half year, compared with 355,000 tonnes for the same period last year. The weakening Australian Dollar had a positive impact on our results.

Palm Oil prices are currently at a five year low which has impacted on our phosphate sales together with increased competition in our markets. There was also a decrease in sales volumes from our palm oil plantation and palm oil processing activities.

The Company has taken cost cutting measures in operations on Christmas Island, and is continuing to pursue growth opportunities in new markets.

The Company's objective remains maximising the mine life and employment on Christmas Island, and pursuing business opportunities in additional phosphate mines and phosphate markets, and considering new opportunities in biological and organic fertilisers.

Financial Position

At the end of the financial period the consolidated entity had net cash balances of $33.277M (30 June 2018: $51.243M) and net assets of $202.681M (30 June 2018: $196.674M).

Total liabilities amounted to $47.101M (30 June 2018: $47.393M), being trade and other creditors, provisions and taxation liabilities.

Earnings per share	December 2018 Cents	December 2017 Cents
Basic earnings per share	**9.24**	9.97

Auditor's Independence Declaration

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

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 Corporation (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the Class Order applies.

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

27 February 2019

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of CI Resources Limited

As lead auditor for the review of the CI Resources for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

This declaration is in respect of CI Resources Limited and the entities it controlled during the financial period.

Ernst & Young

Darryn Hall
Partner
27 February 2019

CI RESOURCES LIMITED

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2018

	Notes	Consolidated 31 December 2018	Consolidated 31 December 2017
		$'000s	***$'000s***
Revenue from continuing operations	3a	**77,831**	89,506
Cost of sales	3b	**(56,101)**	(64,990)
Gross Profit		**21,730**	24,516
Other income	3c	**827**	2,574
Finance costs		**(180)**	(300)
Other expenses	3d	**(7,246)**	(10,435)
Profit before income tax		**15,131**	16,355
Income tax expense		**(4,446)**	(4,832)
Net profit for the period		**10,685**	11,523
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**1,101**	2,524
		11,786	14,047
		Cents	**Cents**
Basic and diluted earnings/(loss) per share		9.24	9.97

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

CI RESOURCES LIMITED

Consolidated Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated 31 December 2018 $'000s	30 June 2018 $'000s
Current assets			
Cash and cash equivalents		**33,277**	51,243
Other financial assets		**11,405**	10,918
Trade and other receivables		**52,113**	44,147
Inventories		**33,684**	23,341
Biological assets		**149**	194
Prepayments		**1,475**	334
Income tax receivable		**-**	2,310
Total current assets		**132,103**	132,487
Non-current assets			
Other financial assets		**8,669**	7,284
Property, plant & equipment		**84,785**	80,586
Goodwill		**7,158**	7,158
Biological assets		**6,464**	6,670
Deferred tax assets		**10,603**	9,882
Total non-current assets		**117,679**	111,580
Total assets		**249,782**	244,067
Current liabilities			
Trade and other payables		**12,787**	13,933
Borrowings		**13**	13
Forward exchange contract payable	7	**932**	256
Income tax payable		**259**	-
Provisions		**5,690**	5,762
Total current liabilities		**19,681**	19,964
Non-current liabilities			
Borrowings		**35**	41
Deferred tax liabilities		**9,065**	8,943
Provisions		**18,320**	18,445
Total non-current liabilities		**27,420**	27,429
Total liabilities		**47,101**	47,393
Net assets		**202,681**	196,674
Equity			
Contributed equity		**72,160**	72,160
Reserves		**12,630**	11,529
Accumulated profits		**117,891**	112,985
Total equity		**202,681**	196,674

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 half-year ended 31 December 2018

2018 Consolidated	Contributed Equity *$'000s*	Foreign currency translation Reserve *$'000s*	Discount on acquisition of Non-controlling interest Reserve *$'000s*	Retained earnings *$'000s*	Total *$'000s*
1 July 2018	**72,160**	**3,030**	**8,499**	**112,985**	**196,674**
Profit for the period	**-**	**-**	**-**	**10,685**	**10,685**
Other comprehensive income	**-**	**1,101**	**-**	**-**	**1,101**
Total comprehensive income for the period	**-**	**1,101**	**-**	**10,685**	**11,786**
Transactions with owners in their capacity as owners					
Dividends paid	**-**	**-**	**-**	**(5,779)**	**(5,779)**
31 December 2018	**72,160**	**4,131**	**8,499**	**117,891**	**202,681**

CI RESOURCES LIMITED

Consolidated Statements of Changes in Equity
For the half-year ended 31 December 2018

2017 Consolidated	**Contributed Equity** *$'000s*	**Foreign currency translation Reserve** *$'000s*	**Discount on acquisition of Non-controlling interest Reserve** *$'000s*	**Retained earnings** *$'000s*	**Total** *$'000s*
1 July 2017	72,160	(3,391)	8,499	103,391	180,659
Profit for the period	-	-	-	11,523	11,523
Other comprehensive income	-	2,524	-	-	2,524
Total comprehensive income for the period	-	2,524	-	11,523	14,047
Transactions with owners in their capacity as owners					
Dividends paid	-	-	-	(8,091)	(8,091)
31 December 2017	72,160	(867)	8,499	106,823	186,615

CI RESOURCES LIMITED

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2018

	Notes	Consolidated	
		31 December 2018	31 December 2017
		$'000s	*$'000s*
Cash flows from operating activities			
Receipts from customers		**69,270**	88,829
Payments to suppliers and employees		**(70,932)**	(76,142)
Interest received		**595**	676
Income taxes paid		**(3,417)**	(4,130)
Net cash (outflow)/inflow from operating activities		**(4,484)**	9,233
Cash flows from investing activities			
(Increase)/decrease in financial assets		**(1,872)**	8,095
Proceeds from sale of property, plant and equipment		**4**	40
Purchase of property and equipment		**(6,451)**	(3,804)
Net cash (outflow)/ inflow from investing activities		**(8,319)**	4,331
Cash flows from financing activities			
Repayments of interest bearing loans and borrowings		**(6)**	(4)
Dividends paid		**(5,779)**	(8,091)
Net cash outflow from financing activities		**(5,785)**	(8,095)
Net (decrease)/increase in cash and cash equivalents		**(18,588)**	5,469
Cash and cash equivalents at the beginning of the financial year		**51,243**	37,038
Impact of foreign exchange		**622**	(75)
Cash and cash equivalents at the end of the period		**33,277**	42,432

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

Notes to the financial statements
For the half-year ended 31 December 2018

1 Corporate Information

The half-year financial statements of CI Resources Limited and its subsidiaries ('Group') for the six months ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 27 February 2019.

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

2 Basis of Preparation and Accounting Policies

Basis of preparation

This half-year financial statements for the half-year ended 31 December 2018 are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial statements does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial statements should be read in conjunction with the Annual Financial Report of CI Resources Limited as at 30 June 2018.

Apart from the adoption of new or revised standards noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Changes in accounting policy

The accounting policies adopted in the preparation of the half-year report are consistent with those followed in the preparation of the Group's Annual Financial Report for the year ended 30 June 2018, except for the adoption of new standards and interpretation

The Company has adopted all Australian Accounting Standards and Interpretations effective from 1 July 2018, including:

- AASB 9 'Financial Instruments'
- AASB 2016-5 'Classification and Measurement of Share-based Payment Transactions'
- AASB 15 'Revenue from Contracts with Customers'
- AASB Interpretation 22 'Foreign Currency Transactions and Advance Consideration'

Except for AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers', the adoption of other amending Standards did not have any impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

AASB 9 Financial Instruments ("AASB 9")
The Group applies, for the first time, AASB 9 'Financial Instruments'.

AASB 9 *Financial Instruments* ("AASB 9") replaces AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139") for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively, with the initial application date of 1 July 2018.

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Company has adopted AASB 9 retrospectively in accordance with the standard; changes in accounting policies resulting from the adoption of AASB 9 did not have a material impact on the Company's consolidated financial statements thus comparatives have not been restated.

AASB 9 largely retains the existing requirements of AASB 139 for the classification and measurement of financial liabilities, however, it eliminates the previous AASB 139 categories for financial assets held to maturity, receivables and available for sale. Under AASB 9, on initial recognition a financial asset is classified as measured at:

a. Amortised cost;

b. Fair Value through Other Comprehensive Income ("FVOCI") – debt investment;

c. FVOCI – equity investment; or

d. Fair Value through Profit or Loss (“FVTPL”)

The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

For financial assets measured at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Any gain or loss on derecognition is recognised in profit or loss.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As of 30 June 2018 and 31 December 2018, the Company’s financial instruments consist of cash and cash equivalents, other financial assets consisting mainly of term deposits, trade and other receivables and trade and other payables.

Class of financial instrument presented in the statement of financial position	**Original measurement category under AASB 139**	**New measurement category under AASB 9**	**Value as at 1 July 2018 ($’000s)**
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	51,243
Other financial assets	Loans and receivables	Financial assets at amortised cost	18,202
Trade and other receivables	Loans and receivables	Financial assets at amortised cost	44,147
Trade and other payables	Financial Liability at amortised cost	Financial liability at amortised cost	13,933

The change in classification has not resulted in any re-measurement adjustment at 1 July 2018.

Cash and cash equivalents, other financial assets and trade and other receivables are now classified as amortised cost under AASB 9. The trade and other payables are also measured at amortised cost.

The cash and cash equivalents, other financial assets trade and other receivables, trade and other payables balances approximate their fair value due to their short-term nature.

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

The three levels of the fair value hierarchy are:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

- Level 2 – Values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.

- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

Impairment of financial assets

In relation to the financial assets carried at amortised cost, AASB 9 requires an expected credit loss model to be applied as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. In particular, AASB 9 requires the Group to measure the loss allowance at an amount equal to lifetime expected credit loss (“ECL”) if the credit risk on the instrument has increased significantly since initial recognition. On the other hand, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to the ECL within the next 12 months.

The Group considers an event of default has occurred when external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information.

For Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on this simplified approach, the lifetime ECL model has an immaterial impact on the Group.

Cash balances and other financial assets, other than immaterial petty cash balances, are being held with reputable financial institutions with sound credit ratings, which reduces credit risk and the expected credit loss to be insignificant.

AASB 15 *Revenue from Contracts with Customers* (AASB 15)

The Group has adopted AASB 15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied using the modified retrospective approach.

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers.

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Revenue from the sale of phosphate and fuel is recognised at a point in time when the control of the asset is transferred to the customer which is typically upon completion of the loading of the product. Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

At 1 July 2017 and at 1 July 2018 it was determined that the adoption of AASB 15 had no material impact on the Group. In relation to the Revenue from contracts with Customers relating to the sale of goods the Group has assessed that the adoption of AASB 15 will have not have a material impact on the recognition and measurement of this revenue. In relation to revenue from Revenue from contracts with Customers relating to rendering of Services, the Group has assessed that has assessed that the adoption of AASB 15 will have not have a material impact on the recognition and measurement of this revenue.

3 Revenue and Expenses

	Consolidated	
	31 December 2018 $'000s	31 December 2017 $'000s
(a) Revenue		
Phosphate sales	**46,865**	52,284
Palm oil sales	**15,943**	22,965
Finance revenue – interest	**595**	677
Rendering of services	**4,343**	6,427
Fuel sales	**7,434**	6,797
Other sales	**2,651**	356
	77,831	89,506
(b) Cost of sales		
Cost of production:		
Production and purchase costs	**37,607**	48,701
Royalties	**901**	875
Environment levy	**859**	860
Insurance	**937**	1,086
	40,304	51,522
Shipping costs:		
Shipping charges	**10,533**	8,393
Port charges	**1,384**	1,301
	11,917	9,694
Handling and warehousing costs	**355**	813
Depreciation:		
Plant and equipment	**3,525**	2,961
Total cost of sales	**56,101**	64,990
(c) Other income		
Foreign exchange gain	**812**	-
Change in fair value of biological asset	-	64
Insurance claim	-	2,500
Other	**15**	10
	827	2,574

	Consolidated	
	31 December 2018 $'000s	31 December 2017 $'000s

3 Revenue and Expenses (continued)

(d) Other expenses		
Redundancy expense	**408**	3,135
Foreign exchange loss	**-**	228
Change in fair value of biological asset	**47**	-
Depreciation	**57**	50
Administration and other	**6,734**	7,022
	7,246	10,435

4 Dividends Paid and Proposed

	31 December 2018 $'000s	31 December 2017 $'000s
Franked dividends declared and paid during the half-year on ordinary shares to the owners of the parent: **$0.05** (December 2017: **$0.07**)	**(5,779)**	(8,091)
Dividends proposed and not yet recognised as a liability	**(1,734)**	(3,467)
	(7,513)	(11,558)

5 Commitments and Contingencies

As at the reporting date the consolidated entity had no expenditure commitments.
Since the last annual reporting date, there has been no material change to any contingent liabilities or contingent assets.

6 Events after the Balance Sheet Date

Cheekah-Kemayan Plantations Sdn Bhd, a wholly owned subsidiary of Phosphate Resources Limited has acquired 12,918,700 shares in United Malacca Berhad (a publicly listed company in Malaysia) for RM78,804,070 (AUD$26,975,685).

Other than the matter referred to above, no matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect, the operations of CI Resources Limited and its controlled entities, or the state of affairs of CI Resources Limited and its controlled entities in subsequent periods.

7 Financial Instruments

The Directors have concluded that the fair value of financial assets and financial liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- 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.
- Term deposits - The carrying values of term deposits represent the fair values.
- Capital notes - These investments are fair valued by reference to published bid prices.

(a) 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.

	Notional amounts $AUD		**Average exchange rate**	
	31 Dec 2018 $'000s	**30 June 2018 $'000s**	**31 Dec 2018**	**30 June 2018**
Sell US$/buy Australian $				
Consolidated				
Sell US$ maturity 0 to 12 months	**43,580**	34,255	**0.7228**	0.7444

These contracts are fair valued by comparing the contracted rate to the forward market rates for contracts with the same remaining term, discounted at a market interest rate. All movements in fair value are recognised in profit or loss in the period they occur. The net fair value losses on foreign currency derivatives during the half-year were $1.667 million (2017: gain $0.218 million) for the Group.

(b) Capital notes – available-for-sale

The Group has invested in capital notes with various institutions which are designated as available-for-sale financial assets.

	Fair Value $AUD	
	31 Dec 2018 $'000s	**30 June 2018 $'000s**
Capital notes $		
Australian capital notes	**972**	965

Initial measurement of these financial assets comprise fair value plus transaction costs and subsequent measurement at fair value. The movement in fair value in each period is recognised in other comprehensive income. The net fair value gains on capital notes during the half-year were $7,000 (2017:$Nil) for the Group.

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 $'000s	Level 2 $'000s	Level 3 $'000s	Total $'000s
Forward currency contract-classified as held for trading	-	(932)	-	(932)
Capital notes-classified as available-for-sale	972	-	-	972
	972	(932)	-	40

Transfer between categories:
There were no transfers between levels during the half-year.

8 Segment Reporting

Segment Reporting for the half-year ended 31 December 2018
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.

Accounting policies and inter-segment transactions
The accounting policy used by the Group in reporting segments internally are the same as those contained in Note 2 to the 30 June 2018 accounts.

	Half-Year ended 31 December 2018			
	Mining	**Farming**	**Unallocated/ Elimination**	**Total**
	$'000s	**$'000s**	**$'000s**	**$'000s**
Revenue				
Revenue from external customers	**46,865**	**15,943**	**-**	**62,808**
Interest income	**233**	**233**	**129**	**595**
Rendering of services	**-**	**-**	**4,343**	**4,343**
Fuel sales	**-**	**-**	**7,434**	**7,434**
Other sales	**-**	**-**	**2,651**	**2,651**
Total segment revenue	**47,098**	**16,176**	**14,557**	**77,831**
Result				
Segment net operating profit after tax (attributable to parent)	**9,293**	**339**	**1,053**	**10,685**
Depreciation and amortisation	**1,867**	**1,023**	**692**	**3,582**
Income tax expense	**3,875**	**108**	**463**	**4,446**
	As at 31 December 2018			
Assets and Liabilities				
Segment assets	**159,952**	**54,201**	**35,629**	**249,782**
Segment liabilities	**41,941**	**3,567**	**1,593**	**47,101**

8 Segment reporting (continued)

	Half-Year ended 31 December 2017			
	Mining $'000s	Farming $'000s	Unallocated/ Elimination $'000s	Total $'000s
Revenue				
Revenue from external customers	52,640	22,965	-	75,605
Interest income	378	165	134	677
Rendering of services	-	-	6,427	6,427
Fuel sales	-	-	6,797	6,797
Total segment revenue	53,018	23,130	13,358	89,506
Result				
Segment net operating profit after tax (attributable to parent)	7,886	815	2,822	11,523
Depreciation and amortisation	1,696	930	385	3,011
Income tax expense	3,573	238	1,021	4,832
	As at 30 June 2018			
Assets and Liabilities				
Segment assets	153,119	55,803	35,145	244,067
Segment liabilities	36,162	3,217	8,014	47,393

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:

	1 July 2018 to 31 December 2018 $'000s	1 July 2017 to 31 December 2017 $'000s
Australasia	**11,207**	15,007
Malaysia	**56,900**	64,027
Singapore	**9,129**	9,795
	77,236	88,829

Major customers
The Group has a number of customers to which it provides the products. There are 3 (2017: 3) customers of the Group who each account for more than 10% of total external revenue for the half years ended.

8 Segment reporting (continued)

Non-Current Assets by geographical regions:

	Consolidated	
	31 December 2018 $'000s	30 June 2018 $'000s
Australia	**66,789**	61,149
Malaysia	**49,597**	49,183
Singapore	**1,293**	1,248
	117,679	111,580

9 Related parties

The Group has a policy that all transactions with related parties are conducted on commercial terms and conditions.

No material related party transactions occurred other than the remuneration of Directors and Key Management Personnel.

10 Changes in composition of the entity

There has been no material change in the composition and nature of the Group during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinued operations.

Directors' Declaration

In the directors' opinion:

(a) The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and accompanying notes are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company and the consolidated entity's financial position as at 31 December 2018 and of their performance, for the half-year ended on that date; and

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

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

D Somerville
Chairman

Perth
27 February 2019

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Independent Auditor's Review Report to the Directors of CI Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of CI Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Darryn Hall
Partner
Perth
27 February 2019