



ACN 006 788 754

**CI RESOURCES LIMITED**  
**ANNUAL GENERAL MEETING**  
**23 NOVEMBER 2021 @ 10.00AM**

**CHAIRMAN'S INTRODUCTION AND WELCOME**

Good morning ladies and gentlemen and welcome to the 2021 Annual General Meeting of CI Resources Limited.

My name is David Somerville, and I am the Chairman of CI Resources Limited.

Due to the implications of the ongoing COVID-19 pandemic, and in-line with now quite normal practice, your directors have resolved to conduct the AGM virtually from the Perth and Malaysian offices.

Before we commence with the formal business of this meeting, I would like to take this opportunity to introduce you to my fellow directors:

- Lai Ah Hong (Managing Director)
- Adrian Gurgone
- Dato' Sri Kamaruddin Mohamed
- Dato' Sri Tee Lip Sin
- Tee Lip Jen

I would also like to introduce Elizabeth Lee, our Company Secretary, and representatives of our Auditor, Ernst & Young - Mr Russell Curtin, Audit Partner.

The Company Secretary has advised me that a quorum is present, and I hereby declare the meeting open.

**CHAIRMAN'S ADDRESS AND PRESENTATION**

The year ended 30 June 2021 saw improving market conditions amid the ongoing challenges presented by the COVID-19 pandemic.

The Board and Management have navigated the Company to an underlying net profit after tax of \$6.8m with contributions from across the business. Earnings per share for the period equated to 5.88c per share representing a significant increase from the previous period.

Demand globally for fertilisers began to strengthen during this period, buoyed by fertiliser supply and agricultural labour shortages. Conversely, shipping costs and availability presented a significant challenge, cushioned somewhat by owning our own vessel. With Christmas Island's close proximity to our customers and the island's ongoing COVID-19-free status, despite shipping challenges, sales volumes and earnings derived from Christmas Island Rock Phosphate (CIRP) improved significantly from the previous period.

Although the current downturn in the Company's markets has impacted on the Company's profitability, based upon our ongoing estimation and review of indicated and inferred resources available to the Company and with our best judgements on current commercial parameters it is reasonable to expect we can sustain viable mining operations on Christmas Island for the foreseeable future.

## **DIVERSIFICATION STRATEGY**

The Company has continued to pursue diversification both on-island and off-island, and these diversified interests have supported our financial performance, with contributions from Energy, Services and Agriculture contributing 51% of our Net Profit After Tax this financial year.

Our diversified interests continue to grow, with interests now including:

- Fertilisers – with our phosphate operations on Christmas Island and manufacturing and marketing of fertilisers in Malaysia;
- Shipping and Logistics – comprising bulk shipping of our phosphate products, supply chain logistics, and as announced our recent acquisition of 50% of a Swiss-based logistic and trading business;
- Energy – underpinned by Indian Ocean Oil Company and a proposed development of a solar farm on Christmas Island;
- Agri-business – including our farming and food production in Malaysia, and engagement in a market garden on Christmas Island;
- Services – with CI Maintenance Services (CIMS) providing substantial contributions to Company Revenue and Profits; and
- Island Development – with the Company conducting preliminary studies and feasibilities in a number of island development initiatives including property, hospitality, tourism and eco-adventure.

Our focus on diversifying and growing our business on Christmas Island, and across our global value chain, will enable the Company to access new customers and markets to take advantage of opportunities as they arise, and position the Company as a diverse, integrated and sustainable business.

## **DIVIDENDS**

CI Resources has maintained a dividend policy of providing consistent dividends over the past 6 years, and with the brief exception of 2020 when Dividends were suspended, we continued to deliver on our dividend policy during 2021 in view of the recovery in the phosphate market and solid diversified earnings performance.

In the Half Year Report ended 31 December the Company issued a 2.0c dividend, and I am pleased to report a further 1.0c dividend for Shareholders relating to the period ending 30 June 2021.

## **SUSTAINABILITY**

Sustainability is a key concept to the Company in many forms – earnings and growth, operations and workers’ jobs, a vibrant community and the environment which supports all these things.

Our diversified operations are creating new jobs in new industries for new generations of workers both on Christmas Island and across our other operations globally. We actually created 38 new jobs on Christmas Island in the 2021 financial year and our future plans should create many more.

While economically we are a major driver of activity on the island, we also are fully invested in supporting a thriving community and environment for this and future generations. We have set out a Sustainability Roadmap in our Sustainability Report published in our Annual Report establishing some clear goals and timeframes around specific program areas covering economic, social and environmental development.

## **CLOSING**

The Board of CI Resources is of the view that the Company is well positioned to leverage an improving fertiliser market, deliver savings from internal efficiencies, and further diversify earnings in the period ahead, while continuing to deliver for our customers.

We retain full confidence in our Leadership team, to navigate the Company through the challenges and opportunities which lie ahead and continue to deliver on our growth and diversification strategy and in turn create sustainable and long-term value for our shareholders.

I finally take this opportunity on behalf of the Board to thank our shareholders, employees, managers and executives for their contributions to a successful outcome in challenging circumstances.

**THIS CONCLUDES MY CHAIRMAN’S ADDRESS.**