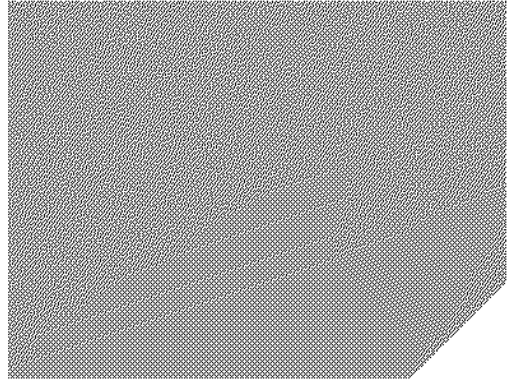
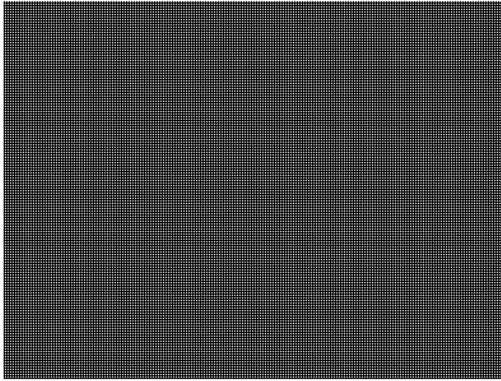
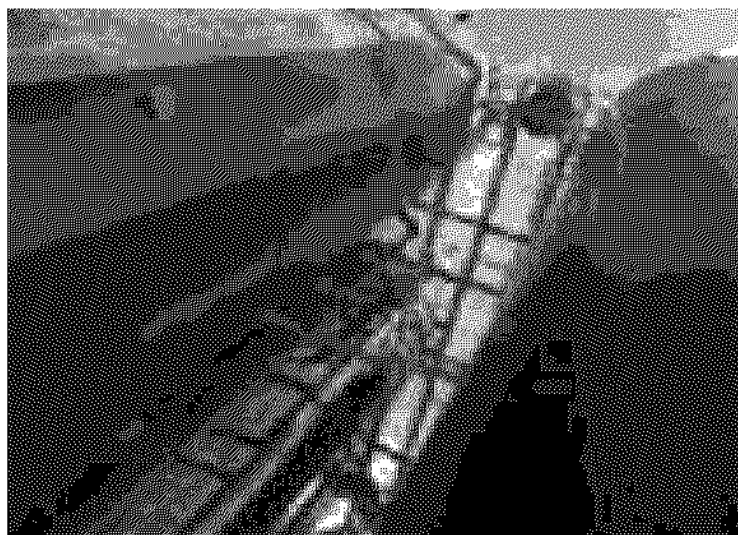


Integrated
Environmental
Solutions.
Transpacific
Annual Report
2005.





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What we do.

Transpacific Industries Group Ltd (TPI) provides integrated industrial cleaning and total waste management solutions to customers across Australia and New Zealand, with a particular focus on the liquid and hazardous segments of the waste management market.

Transpacific is also a key player in the heavy-duty commercial vehicles industry in Australia and New Zealand and has niche operations in parts of Asia.

AGM.

Marriott Hotel
515 Queen Street
Brisbane Queensland 4000
Wednesday 9 November 10.30am

Transpacific Industries Group Ltd
ACN 101 155 220



**Waste Management
& Recycling.**

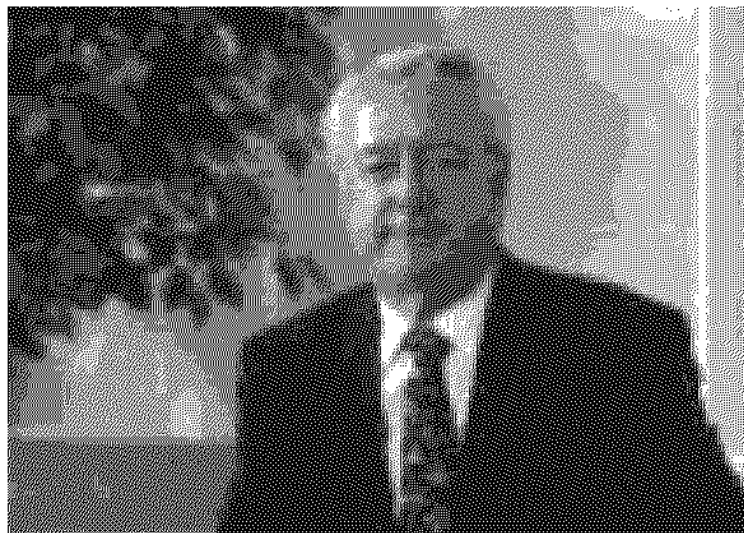
Collects, treats and disposes of liquid and hazardous waste. Recycles and sells used mineral oil, cooking oil and other waste.

**Industrial
Solutions.**

**Specialises in industrial cleaning and total waste management solutions.
Manufactures and leases out parts washers.**

**Commercial
Vehicles.**

Imports and distributes three premier brands of heavy-duty trucks and associated parts as well as MAN bus chassis and marine/industrial engines.



Terrence E. Peabody
Executive Chairman

Chairman's Letter.

Welcome to all new shareholders. On behalf of the Board I am pleased to share with you our maiden annual report as a public company and my thoughts on our future.

We are all pleased with the very successful float of our Company – the acceptance of TPI by the market is reflected in its share price. Nearly all institutions and a lot of retail investors who joined us at listing remain loyal to TPI, indicating their commitment to the Company – and they have been justly rewarded; in a very short time our share price has risen from an offer price of \$2.40 per share in May 2005 to \$4.70 per share at time of writing with generally thin volumes traded.

Our market capitalisation at \$4.70 is approximately \$940 million and it was announced on 2 September 2005 that TPI was to be included in the S&P/ASX 200 – this is a great achievement and reflects the positive view of TPI held by market players and regulators. We are very proud of this achievement.

The FY05 result was in line with all key prospectus targets and confirms the growth and profitability of our Company. In addition to the financial results we went on to achieve other prospectus promises – we purchased the liquid operations of NSW Waste Services and have continued to develop our hydrogenation facility on target and within cost.

Those who we met on the IPO roadshow and subsequently will recall our history of and intention to continue building the TPI business both organically and by acquisition across all three divisions. In addition to the specific acquisitions and opportunities mentioned in the prospectus, our Waste Management & Recycling division acquired Cleanaway Technical Services and a number of other oil collection and treatment businesses;

our Industrial Solutions division made a number of strategic acquisitions that will continue to add value over time and our Commercial Vehicles division continued negotiations to bring more brands to its far reaching dealer distribution network.

Transpacific continues to seek new opportunities to drive the bottom line and we pursue cost improvements including fast tracking acquisition integration and collecting on synergies. We are currently investigating a number of targets and opportunities in each of the three divisions and look forward to advising you of our successes at the appropriate time.

Hopefully you have seen that we move decisively in the acquisition and building of businesses we know well and that we have demonstrated our ability to extract value quickly for TPI. I assure you we will continue to seek every acquisition opportunity that fits with or extends our existing business and to grow our business.

I look forward to your support in the coming years.

Yours faithfully

Terry Peabody
Executive Chairman.
12 September 2005.



Scorecard.

	Actual \$m	Prospectus \$m
Revenue	483.0	483.5
EBITDA	70.9	70.5
Depreciation	-19.2	-19.4
EBITA	51.7	51.1
Goodwill amortisation	-2.8	-2.6
EBIT	48.9	48.5
Interest (net)	-8.8	-9.3
NPBT, associates and offer costs	40.1	39.2
Associates NPAT	1.3	1.3
NPBT and offer costs	41.4	40.5
Offer costs	-4.4	-4.6
NPBT	37.0	35.9
Tax expense	-12.1	-11.6
NPAT	24.9	24.3
Minority interests	-2.0	-2.1
NPAT Transpacific	22.9	22.2

Sales.

Waste
Management
& Recycling.

Actual:
\$105.8m

Prospectus:
\$105.3m

Industrial
Solutions.

Actual:
\$129.2m

Prospectus:
\$118.5m

Commercial
Vehicles.

Actual:
\$220.6m

Prospectus:
\$252.6m

Our Mission:

"Transpacific Industries Group Ltd provides a comprehensive range of environmental waste management, facility management and transport services designed to mitigate the environmental impact of our customers' industrial, municipal and commercial operations."

Our Vision:

"Transpacific Industries Group Ltd aspires to become the pre-eminent provider of integrated industrial services through comprehensive recovery, waste management and transport solutions."



Howard Wilson
Chief Executive Officer

TPI achieved its FY05 prospectus forecasts and the results have been analysed in our FY05 results presentation lodged with the Australian Stock Exchange (ASX) on 30 August 2005. So rather than repeating that analysis I'd like to address a number of key areas important to TPI's success –

- protecting the environment – it is our business,
- ensuring the safety of our people and anyone with whom they interact – this is paramount to TPI,
- growing our business – we aim to deliver the best service or product on time so we expand organically, make the best acquisitions and extract and save every dollar in our business,
- retaining quality, skilled and motivated people – from Board level directing the business, through senior management organising the desired actions and at the "coal face" where actions are implemented.

If we get all this right, financial rewards and shareholder value will flow for our employees and shareholders.

Chief Executive Officer's Review.

Protecting the environment – our business

Our business is to protect the environment and we welcome Government regulations and increasing community expectations and desires in this area. Our Waste Management & Recycling division collects and recycles waste oil so it can be re-used instead of being dumped and polluting our environment. We collect and recycle used cooking oil and tallow waste so it can be re-used in animal feed and other applications. We collect and treat other liquid and hazardous waste so the water can be re-used. Our Industrial Solutions division cleans pollutants from creeks, off roads and out of drains. It also provides total waste management services to many mine and industrial sites, recycling as much waste as possible. Our Commercial Vehicles division promotes one of the most environmentally friendly CNG (compressed natural gas) buses in the world. We must protect the environment – it is our business.

Safety

We are extremely focused and committed to the health and safety of our people, our clients and the public at large. Our aim is to act early and prevent accidents. We do our best to protect our people through training and changing the way they think and go about their daily work. We also give them the safest work gear, vehicles and plant to prevent accidents. We know this costs money, but we will not place people at risk to save money. We must safeguard our people and those around them.

Growing our business

Our Waste Management & Recycling and Commercial Vehicles businesses were started by the Peabody family and never has a stagnant year passed. Our businesses have grown organically over time and through acquisition. TPI made two major acquisitions – one in 2002 and one in 2003 – to commence the Industrial Solutions division – the acquired companies were not performing until we took control.

We have implemented what was foreshadowed in the prospectus and further expansion has occurred as a result of the implementation of our growth policies. We are currently integrating our latest acquisitions into our Group – Transpacific Waste Services (previously NSW Waste Services operating in Sydney) and Transpacific Technical Services (formerly Cleanaway Technical Services operating in Adelaide, Newcastle, Wyong and south east Queensland). Our due diligence investigations revealed the integration actions to be taken to extract and optimise value quickly. The results to date are very promising.

"I have the direction, support to continue to pursue the business to maximise the available to all employees"

Chief
Executive
Officer's
Review.
Continued...

These acquisitions position us as the major liquid waste treatment plant operator in Queensland, New South Wales, South Australia and Western Australia. In New Zealand we have also purchased a number of cooking oil/tallow operations and used mineral oil operations, resulting in Transpacific Industries becoming the largest operative in this field in New Zealand. We now have business operations at ninety-five (95) locations throughout Australia and New Zealand, including twenty-five (25) major processing facilities and our workforce as at 31 July 2005 was 1,607 people including casuals.

When we talk of growth, we refer to expansion of our capacity to provide the services we currently offer, to expand the type and scope of services, provided they are a fit with or extension to our core business and to increase our geographical coverage, both within Australia and New Zealand. Each acquisition expands our customer base for our integrated entities. We have restructured our business development and sales division to address the challenges presented by increased and diversified market penetration. We have streamlined our organisational structure and will continue to adjust and modify procedures to ensure that our service provision, both internally and externally, is second to none.

We are a company on the move and this is demonstrated in our FY05 financial performance which successfully met our targets and resulted from solid performances in each of our operating divisions.

Looking forward, we anticipate that the Waste Management & Recycling Division will increase its contribution to group bottom line profit through our recently expanded operations in New South Wales, South Australia and New Zealand. Hydrogenation (value adding to recovered waste oil) is expected to commence in the last quarter of FY06. We have announced our investigation into biodiesel and hope to progress this opportunity in the near term.

ort, staff and the will key aspects of TPI's financial rewards and shareholders."

Our Industrial Services division has expanded through the acquisition of businesses in Western Australia and other states. The introduction of AutoCar trucks to the Australian market is expected to positively impact our Commercial Vehicles division's profitability. These trucks are ideally suited to the refuse, ready mix concrete and construction industry vehicle market which complements the Western Star and MAN markets. We are also expanding our parts business through "Red Dog" an "all-makes" parts program. Into FY07 we are looking for new truck brands to join our existing marques. There remain many opportunities in the bus and defence markets. We are expecting strong growth for this division with a favourable looking order book, remembering that the majority of our sales are pre-orders.

We will continue to build on our strengths – we hold a strong position in the markets in which we currently operate and through continued organic growth and strategic acquisitions we will strive to add value in all our pursuits. We are focused on increased sales and cost improvement to minimise the cost of conducting our activities but not to the detriment of our commitment to the health and safety of our people, those of our clients and the public at large. Together with our obligation to mitigate any potential environmental harm as a result of our operations, we will continue on our pathway of a considered, practical and sustainable approach to conducting business in a competitive market.

The strength of our people

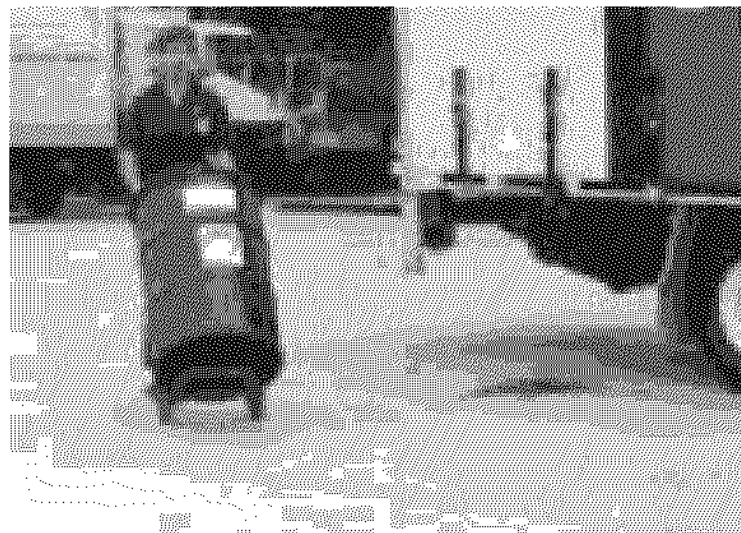
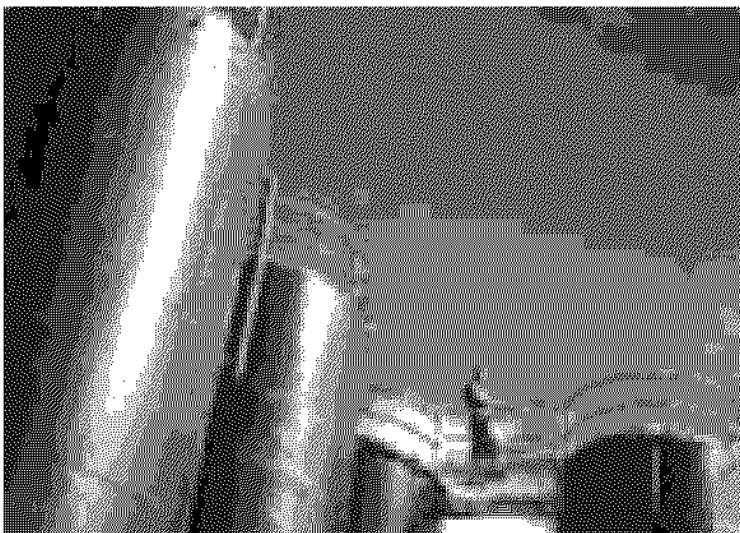
TPI has a working Board of Directors – people whose skills and experience cross the mining, industrial, chemical, ports and refuse industries – with operational, environmental and financial backgrounds. Senior management are experienced and incentivised to perform. Our workers are loyal and hard working. We are a good team.

Financial rewards and shareholder value

I have the direction, the support, the staff and the will to continue to pursue the above key aspects of TPI's business in order to maximise the financial rewards available to all employees and shareholders.



Howard Wilson
Chief Executive Officer.
12 September 2005.



“Transpacific is the leading service provider in its key markets.”

Waste Management & Recycling division locations.



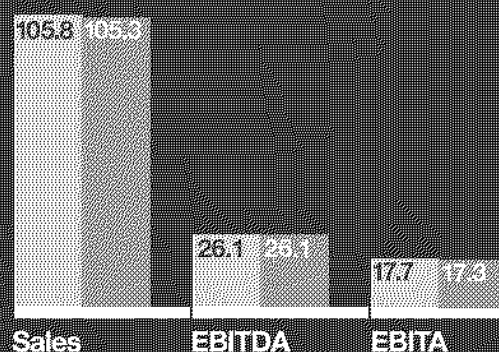
● Waste Management & Recycling businesses

● Nationwide Oil

Solid colour indicates major processing/production facility

Sales, EBITDA, EBITA.

\$m



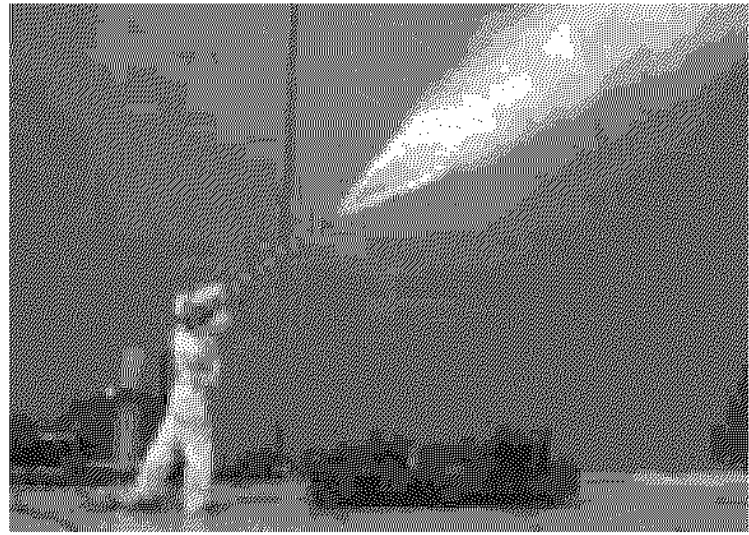
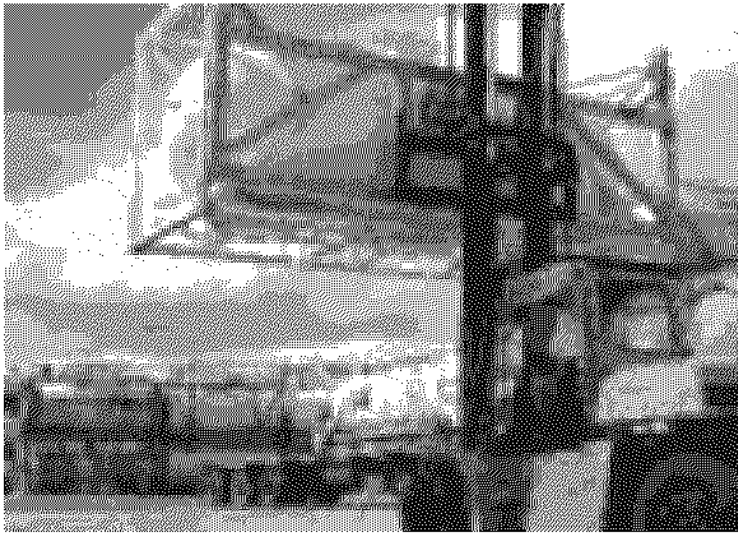
Sales

EBITDA

EBITA

Actual

Prospectus



Waste Management & Recycling.

Collection and treatment of liquid waste and hazardous waste – one of Australia's largest national businesses focused on the collection, transport, processing, recycling and disposal of liquid and hazardous wastes (both liquid and solid), operating from 49 sites including 22 major processing facilities located throughout Australia and in New Zealand.

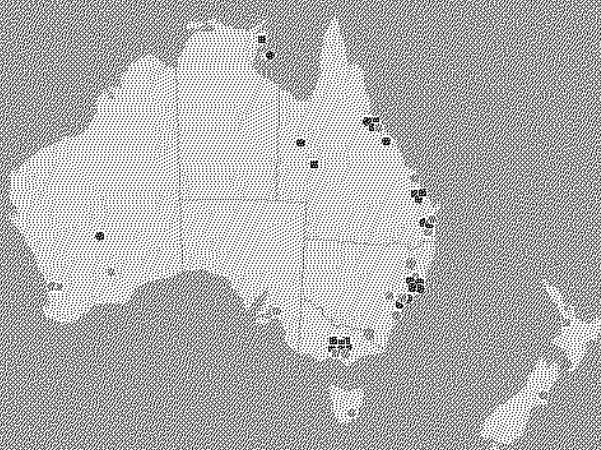
Recycling and conversion of waste mineral oil to energy – collects and processes over 55% of used mineral oil collected in Australia. Transpacific operates a used mineral oil re-refinery to produce alternative fuel products for reuse in areas such as boiler start-up fuel for power generation.

Collection and processing of cooking oil – collects and treats cooking oil in Queensland, Northern NSW and New Zealand.



“Total industrial waste management & industrial cleaning is what we’re about.”

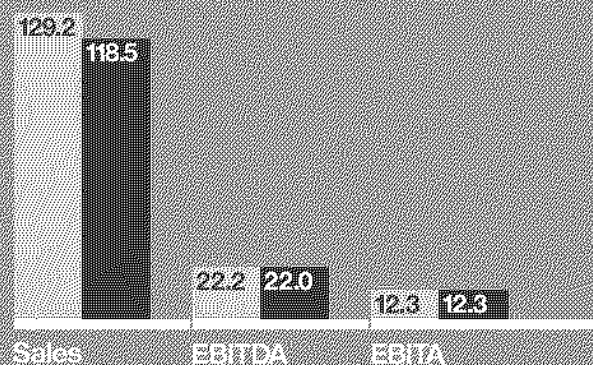
Industrial Solutions division locations.



- Industrial cleaning and total waste management businesses
 - Parts washers and associated businesses
 - Australian Terminal Services business
- Solid colour indicates major processing/production facilities

Sales, EBITDA, EBITA.

\$m



Actual
Prospectus



Industrial Solutions.

Industrial cleaning services – provides specialist high pressure water and abrasive blasting, vacuum loading, asbestos removal, sewer and drain cleaning, iso-tanker cleaning, protective coating, emergency spill and recovery services.

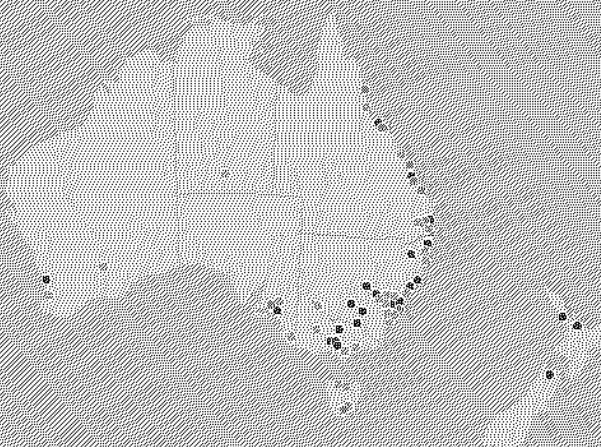
Total waste management – provides total waste management solutions, combining a diverse range of waste management and industrial services, operating from 50 sites.

Parts cleaning solutions – ERS is Australia's leading provider of aqueous and solvent based parts cleaning services and equipment for the automotive, mining, printing and food sectors.



“We exclusively import 3 premier brands of trucks and buses.”

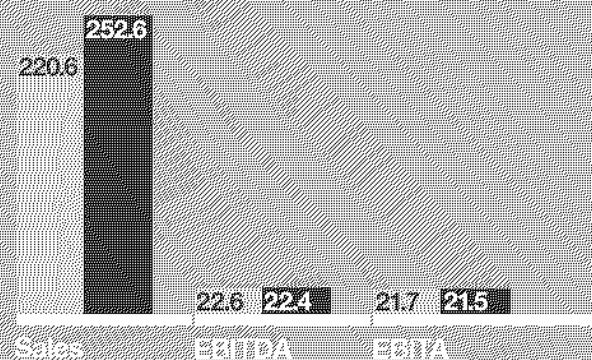
Commercial Vehicles division locations.



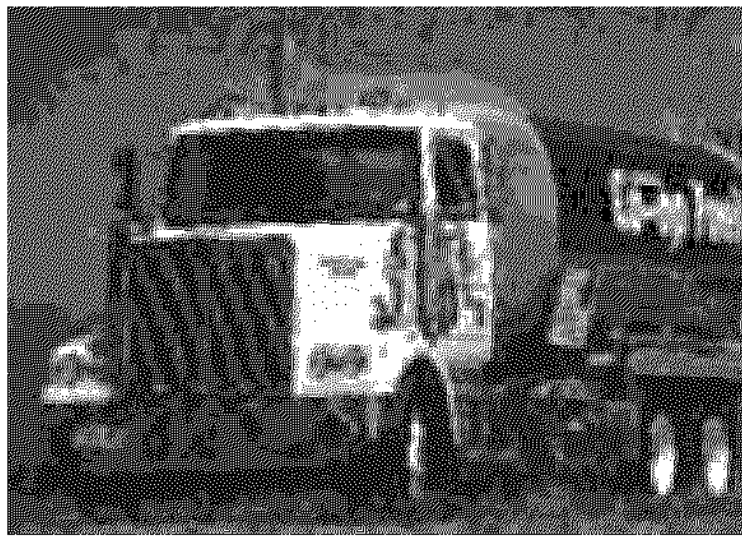
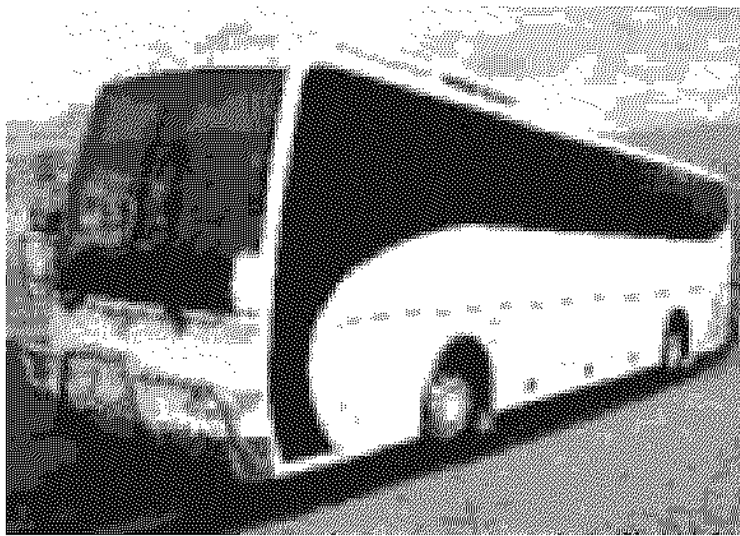
- Full service dealers
- Parts and service dealers only
- Marine engine dealers

Sales, EBITDA, EBITA.

\$m



Actual
prospectus



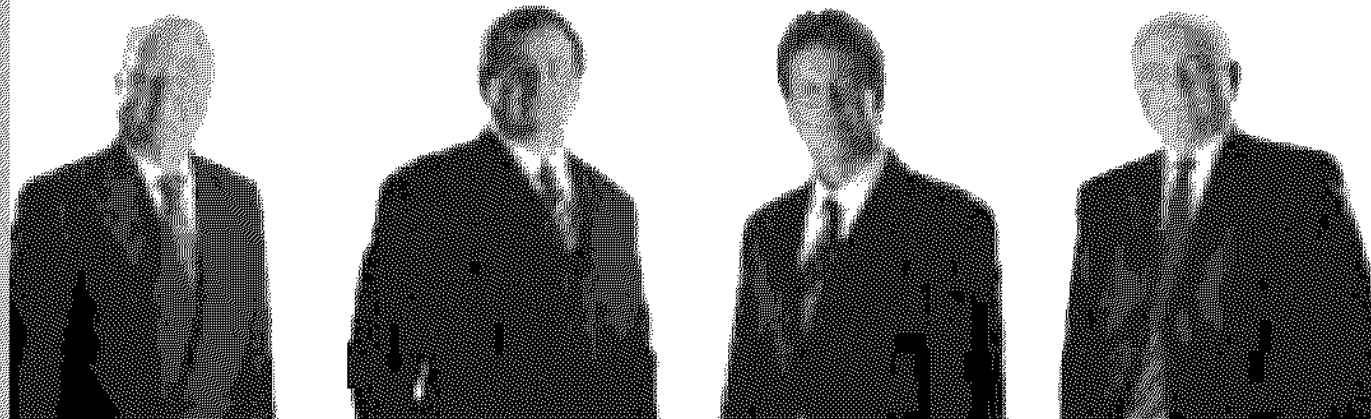
Commercial Vehicles.

Importation and distribution of commercial vehicles – exclusive import and distribution rights for Western Star and AutoCar trucks and parts throughout Australia, New Zealand and selected markets in Asia. Exclusive import and distribution rights for MAN trucks, bus chassis and parts in Australia and New Zealand. Transpacific also has the exclusive import and distribution rights for MAN marine engines, industrial engines and parts in Australia (except Western Australia and the Northern Territory).

Product range – Western Star trucks are custom-built and are targeted at the linehaul, road train, local delivery, heavy-haulage, logging and mining markets. They are a premium priced vehicle, ideally suited for applications requiring superior performance and product dependability. The MAN range of trucks is among the most technically advanced in the world, well suited to the rugged requirements of the linehaul, local delivery, exploration drilling, logging, utility servicing and agriculture markets.

The Western Star and MAN product ranges are complementary, and enable vehicle sales to be maximised by the dealer network. MAN also offers an extensive range of bus chassis. The AutoCar product range is a new addition to the Group. It has significant market share in North America in supplying commercial vehicles to the waste management and construction industries, and provides a new growth avenue for Transpacific. MAN marine engines are setting economic and environmental standards for low cost, quiet, clean marine diesel engine performance.

National distribution network – distributes Western Star and MAN commercial vehicles through an independent dealer network of 66 dealers and sub-dealers. These are located in Australia and New Zealand, with a Western Star dealership located in the Philippines and Papua New Guinea and a Western Star sales agent in China. The MAN marine engine product range is distributed through 10 Australian dealers.



Board of Directors.

Terry Peabody
Executive Chairman.

Terry Peabody has been involved in the importation and distribution of Western Star trucks into Australia since 1983. The waste management operations of Transpacific were formed in 1987 by Mr Peabody, following the successful public float of Pozzolan Industries, listed on ASX by Mr Peabody and his family in 1985. In 1991, business interests associated with Mr Peabody acquired the North American parent company of Western Star, successfully listing the company on the Toronto Stock Exchange in 1994. In 2000, the North American company was purchased by Freightliner LLC (a DaimlerChrysler group company) with the Australian operations retained by business interests associated with Mr Peabody, and now forming part of Transpacific.

Mr Peabody has had extensive international success in building waste management, transportation and manufacturing companies. He has held the position of Executive Chairman of Transpacific since its incorporation.

Howard Wilson
Chief Executive Officer.

Howard Wilson was appointed to the position of Chief Executive Officer of Transpacific in 2003, following a period of 18 months as Chief Executive Officer of WSTA and MAI. Prior to this time, Mr Wilson had an extensive career with Western Star Trucks Inc. based in British Columbia, Canada, where he ultimately held the position of Chief Operating Officer and Executive Vice President.

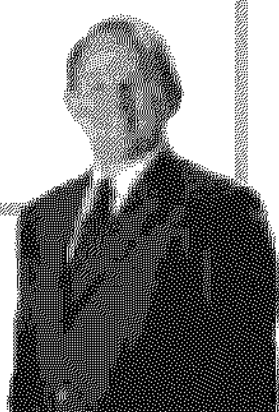
Mr Wilson has a successful track record in customer support, dealer development, systems implementation and asset management. He also has demonstrated bottom-line success in retail, value-added reseller and manufacturing companies, including start-up, rapid growth and mature organisations and has experience in the international business market.

John Richards
Non-Executive Director
Deputy Chairman.

John Richards has held a number of senior positions with JJ Richards and Sons Pty Ltd since 1982 and is currently the Managing Director. Since joining JJ Richards, Mr Richards has been responsible for overseeing the growth of the company throughout Australia and into parts of New Zealand and for its diversification into such areas as medical diagnostics, environmental education and green energy. During that time, JJ Richards grew from an annual turnover of \$11 million to over \$250 million and is now one of the largest waste companies and the largest privately owned waste company in Australia.

Bruce Brown
Non-Executive Director.

Bruce Brown was until recently Managing Director of Campbell Brothers Limited, an ASX listed company with diversified operations including the manufacture and distribution of chemicals and the provision of analytical laboratory services. Mr Brown had held finance and senior management positions with that company since 1976. In 1990, Mr Brown was appointed Chief Executive Officer and three years later became Chief Executive Officer and Managing Director. During the last 15 years, Mr Brown has been integral to that company's significant growth and ongoing success in a broad range of industries. Mr Brown is now a non-executive director of that company.



Graham Mulligan
Non-Executive Director.

Graham Mulligan has had extensive experience in senior management positions in Australia and New Zealand, most recently holding the position of Chief Executive Officer of Port of Brisbane Corporation and prior to that, Managing Director of Port Wellington in New Zealand. Mr Mulligan is currently the Managing Director and owner of International Infrastructure Ventures, an Australian based company, operating globally and involved in investment in seaport infrastructure. Mr Mulligan has also held senior management and public listed company director positions in the petroleum exploration and production industries.

Rod Ruston
Non-Executive Director.

Rod Ruston is a mining engineer who has 30 years of experience working in the Australian resources industry. Mr Ruston is currently President & CEO of North American Energy Partners Inc which is a major mining and construction contracting company based in Canada. Previously he was Managing Director of Ticor Limited, an ASX listed company with Australian and international operations in the mineral sands industry. Prior to holding that position, Mr Ruston spent 20 years in various senior roles in the Australian coal industry. Rod has been a director of the Australian Minerals Council and the NSW Joint Coal Board and Chairman of the Minerals Tertiary Education Council. Mr Ruston brings to the Board an in-depth knowledge of the Australian resources industry.

Harold Grundell
Managing Director
Nationwide Oil.

Harold Grundell joined the Group in 1990 in an operations role and has since held several senior management positions throughout Australia with the Group. Mr Grundell was appointed to the role of Chief Executive Officer for Nationwide Oil in June 2001 before being appointed to the position of Managing Director in February 2004. Mr Grundell is a director of the Australian Oil Recyclers Association and sits on the Oil Stewardship Advisory Committee, which advises the Federal Minister for the Environment in relation to matters concerning used oil collection and recycling. Mr Grundell is also a director of several Group companies.

Geoff Sparks
Managing Director TPI.

Geoff Sparks commenced employment with the Group in 1988. In February 2004, Mr Sparks was appointed to the position of Managing Director TPI, the parent company of many of the Group's waste management and recycling operations. Mr Sparks is a director of several Group companies. Since 1988, Mr Sparks has been responsible for the identification and investigation of a number of strategic and synergistic business acquisitions, greenfield site location and purchase negotiations, and the attainment of statutory and regulatory licences and approvals for the Group.



Senior Management.

From left to right:

Trevor Coonan Chief Financial Officer.

Trevor Coonan joined Transpacific in 2004 as Chief Financial Officer. Prior to commencing with Transpacific, Mr Coonan held the position of director with PricewaterhouseCoopers and was involved in the listing of a number of companies on the ASX.

Stewart Smith Executive Adviser.

Stewart Smith holds the position of Executive Adviser, and provides advice to the senior executive on financial and other commercial matters, including major acquisitions. Mr Smith has been with the Group since its inception in 1987. In the early 1990s, Mr Smith had a period of secondment to Western Star Trucks Inc. where he was integrally involved in the public listing of that company on the Toronto Stock Exchange. Prior to working for Transpacific, Mr Smith held the position of Company Secretary with Pozzolan Industries and was involved in the public listing of that company on the ASX.

Nick Badyk Managing Director TIS.

Nick Badyk joined the Group in March 2001 as Group Business Development Manager. Mr Badyk has been involved in the restructure of WSTA and MAI, as well as the acquisition and management of a number of businesses forming part of the Waste Management & Recycling Services & Industrial Solutions divisions. From late 2002 through to mid 2004, Mr Badyk was seconded to Western Australia where he was responsible for the restructure and management of the Waste Management and Recycling division's joint venture businesses. Prior to joining Transpacific, Mr Badyk held various roles within the dangerous goods transport company Chemtrans, Incitec Pivot and Orica. Mr Badyk was appointed to the role of Managing Director of TIS in July 2004.

Paul Glavac Managing Director Commercial Vehicles division.

Paul Glavac originally joined the Group as General Manager of TIS in October 2003, having previously held senior positions with Brambles Industrial Services for a period of 10 years. In July 2004, Mr Glavac was appointed to the position of Managing Director of the Commercial Vehicles division and in this capacity is responsible for WSTA and MAI. Mr Glavac has previously had a number of years experience within the automotive industry, having spent the early years of his career with Ateco Holdings, an importer and distributor of motor vehicles.

Terry Woods Managing Director ERS.

Terry Woods commenced working for the Group as the Queensland State Manager for Nationwide Oil in 2001. Prior to this, he was responsible for managing the alternative fuels business at Queensland Cement Limited, a position he reached after first holding senior positions in its concrete, quarrying and fly ash businesses. Mr Woods played a key role in Transpacific's acquisition of ERS in late 2003 and was subsequently promoted to the position of Chief Operating Officer for Nationwide Oil and ERS. Mr Woods was appointed to the position of Managing Director for ERS in November 2004.

Kellie Smith Company Secretary.

Kellie Smith joined the Group in 2004 as Group Corporate Accountant. Prior to commencing with the Group, Ms Smith held the position of Client Services Manager in the Corporate Advisory Services Division of a Chartered accounting firm, where she specialised in manufacturing and service companies.

Corporate Governance Statement.

Transpacific Industries Group Ltd (the Company) and the Board are highly committed to appropriate levels of corporate governance. An extensive review of the Company's corporate governance framework was completed during the year in light of best practice recommendations released by the Australian Stock Exchange Corporate Governance Council (ASXCGC). In March 2005, the Board formally adopted a range of policies, many of which are available on our website at: www.transpacific.com.au. The Company's corporate governance structure has been designed to optimise corporate performance and accountability as appropriate for its particular circumstances. The Company complies with the ASXCGS "Principles of Good Corporate Governance and Best Practice Recommendations" with only two exceptions, and the explanation for these departures is set out in this statement.

The relationship between the Board and senior management is critical to the Company's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Executive Chairman, the Chief Executive Officer and senior executives as set out in the Board Charter. These delegations are reviewed on an annual basis.

A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place from listing date of 3 May 2005.

The Board of Directors

The Board operates in accordance with the broad principles set out in its Charter which can be viewed on the corporate governance information section of the Company website. The charter details the Board's composition and responsibilities.

Board composition

The Company's Constitution calls for at least three but not more than ten Directors. The Board is currently comprised of four executive Directors and four non-executive Directors. ASXCGC Best Practice Recommendation 2.1 states the majority of the Board should be independent Directors. The current Board believes eight Directors is an optimal number of directors for a company the size and growth profile of the Company. It believes the skills and industry knowledge of all four executive Directors are required to lead the Company forward and to add additional independent Directors at this stage would increase the Board's size beyond an efficient working level.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independence are set out earlier in the annual report. The Board has a broad range of relevant operational, regulatory, risk management, financial and other skills and expertise to meet its objectives and effectively govern the Company.

Chairman

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives. ASXCGC Best Practice Recommendation 2.2 states the Chairman should be an independent Director. The current Board believes the Company's founder and major shareholder, Terry Peabody, has the vision, skills and deep industry knowledge to lead the Company, clearly communicate the Company's objectives and strategy, and to set market expectations.

Non-executive Directors' independence

The Board has reviewed the independence of the non-executive Directors and considers each to be independent and free of any business or other relationship that could, or could reasonably be perceived to, materially interfere with their independent judgement and ability to act in the best interests of the Company.

The Board has adopted specific principles in relation to the non-executive Directors' independence. These state that to be deemed independent, a Director must be a non-executive and:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company (a substantial shareholder is one who owns 5% or more of the Company);
- within the last three years, not have been employed in an executive capacity by the Company or any other Group member, or been a Director after ceasing to hold any such employment;
- within the last three years not have been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must have no material contractual relationship with the Company or a controlled entity other than as a Director of the Company;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;

- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual Directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the Director's performance.

Term of office

The Company's Constitution requires one third of the Directors, other than the Executive Chairman (as the nominated managing director), to retire from office at each Annual General Meeting. Directors, other than the Executive Chairman, who hold office for a period of three years or a period expiring at the third Annual General Meeting following their appointment (whichever is the longer) must also retire. Where eligible, a Director may stand for re-election.

Meetings of the Board and commitment of non-executive Directors

The Board held regular Board meetings during the year, particularly while preparing for ASX listing and post listing. In addition to the regular scheduled meetings, the Board meets whenever necessary to deal with specific matters needing attention.

The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2005, and the number of meetings attended by each Director is disclosed on page 26.

The commitments of non-executive Directors are considered by the nomination and remuneration committee prior to the directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

Nomination and appointment of new Directors

When a new Director is to be appointed, the nomination and remuneration committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent consultants.

The full Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company. The committee's nomination of existing Directors for reappointment is not automatic and is contingent on their past performance, contribution to the Company and the current and future needs of the Board and Company.

Details of the selection and appointment processes are available on the Company website.

Notices of meeting for the election of Directors comply with the ASXCGC's best practice recommendations.

New Directors are provided with a letter of appointment setting out the Company's expectations, their responsibilities and rights and the terms and conditions of their position. All new Directors participate in an induction program which covers the operation of the Board and its committees and financial, strategic, operational and risk management issues.

Independent professional advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Performance assessment

The nomination and remuneration committee is responsible for evaluating the performance of the Board and key executives.

The Executive Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each Director to discuss this assessment.

Board committees

There are currently two Board committees which have been established to assist in the execution of the Board's duties and to allow detailed consideration of complex issues. Current committees are the nomination and remuneration committee and the audit and risk management and compliance committee. Previous committees during the year included the IPO due diligence committee. Other committees of the Board may be established from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis and are available on the Company website. All matters determined by committees are submitted to the full Board as recommendations for Board decision. Each committee is composed of the people the Board considers best suited to fulfil the role of each committee.

Minutes of committee meetings are tabled at the immediately subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Nomination and remuneration committee

The nomination and remuneration committee consists of the following Directors:

J J Richards (Chairman)
(Non-Executive Director)
B R Brown (Non-Executive Director)
R J Ruston (Non-Executive Director)
T E Peabody
H L Wilson

The main responsibilities of the committee are to:

- review, assess and make recommendations to the Board on the necessary and desirable competencies of the Directors and relevant Board committees,
- evaluate the Board's performance,
- oversee the selection and appointment practices for Directors and senior executives,
- assist the Board in relation to the remuneration policy for the Company, the application of the policy to executives and the evaluation of the performance of the Chief Executive Officer.

Audit and risk management and compliance committee

The audit and risk management and compliance committee consists of the following non-executive Directors:

B R Brown (Chairman)
G D Mulligan
J J Richards.

Details of these Directors' qualifications and attendance at audit and risk management and compliance

committee meetings are set out earlier and in the Directors' report on page 26.

The audit and risk management and compliance committee has appropriate financial expertise and all members are financially literate and have an appropriate understanding of the industries in which the Company operates.

The main responsibilities of the committee are to:

- review, assess and approve the annual report, the half-year financial report and other financial information published by the Company or released to the market;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment, covering:
 - the effectiveness and efficiency of operations;
 - the reliability of financial reporting;
 - compliance with applicable laws and regulations;
- determine the scope of the internal audit function (if any);
- oversee the effective operation of the risk management framework;
- recommend to the Board the appointment, reappointment or replacement of the external auditor, and review the terms of its engagement, the scope and quality of the audit and assess the auditor performance;
- consider the independence and competence of the external auditor on an ongoing basis;

- review and approve the level of non-audit services provided by the external auditor and ensure it does not adversely impact on auditor independence;
- report to the Board on matters relevant to the committee's role and responsibilities.

In fulfilling its responsibilities, the audit and risk management and compliance committee:

- receives regular reports from management and the external auditor;
- meets with the external auditor at least twice a year or more frequently if necessary and meets separately with the external auditor at least twice a year without the presence of management;
- reviews the processes the Executive Chairman, CEO and CFO have in place to support its certifications to the board;
- reviews any significant disagreements between the auditor and management, irrespective of whether they have been resolved;
- provides the external auditor with a clear line of direct communication at any time to the Chairman of the audit and risk management committee.

The audit and risk management and compliance committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Code of conduct and securities trading

The Company has developed a Statement of Values and Corporate Code of Conduct (the Code) which have been fully endorsed by the Board. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times Directors and Company personnel be loyal to the Company, show the highest business integrity in their dealings with others and conduct the Company's business in accordance with the law and principles of good business practice.

Additionally the Code reinforces the Company's securities trading policy which permits Directors and employees to buy and sell Company securities during the six week period following the release of the half-yearly and annual financial results to the market and the six week period following the Annual General Meeting. Trading outside the permitted trading windows is permitted only with the prior consent of the Executive Chairman, Chief Executive Officer or Company Secretary. Trading in securities is prohibited at all times by anyone in possession of price sensitive information.

The Code requires employees who are aware of unethical practices within the Company or breaches of the company's trading policy to report these to the Company Secretary or the audit and risk management and compliance committee.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

A copy of the Code and the trading policy are available on the Company's website.

Corporate reporting

The Board receives regular reports about the financial condition and operational results of the Company.

The Company's financial report preparation and approval process for the 2005 financial year involved the Executive Chairman, CEO and CFO making the following certifications to the Board:

- that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and controlled entities and are in accordance with relevant accounting standards;
- that the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Audit governance and independence

The Company's policy is to appoint an external auditor who clearly demonstrates quality and independence. The performance of the external auditor is reviewed annually. Bentleys MRI Brisbane Partnership was appointed as the external auditor in 2002. It is Company policy to require the auditor to rotate audit engagement partners at least every five years.

Fees paid to the external auditor are provided in note 35 to the financial statements.

Bentleys MRI is required to provide an annual declaration of its independence to the audit and risk management and compliance committee and the Board. A copy of this declaration is set out on page 34.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the Company's website.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX.

All information disclosed to the ASX is posted on the company's website following confirmation of the release by the ASX to the sharemarket. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the company's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

The Company aims to keep shareholders informed of the Company's performance and major developments in an ongoing manner. Annual and half year reports are distributed to all shareholders unless specifically requested otherwise.

In addition, the Company seeks to provide opportunities for shareholders to participate through electronic means. All Company announcements, media briefings, details of Company meetings, press releases and financial reports are available on the Company's website.

Shareholders are encouraged to attend Annual General Meetings and to use this opportunity to ask questions.

Risk assessment and management

The Board, through the audit and risk management and compliance committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company policies are designed to ensure strategic, operational, legal, regulatory and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct (see page 21) is required at all times and the Board actively promotes a culture of quality and integrity.

The Company risk management policy and the operation of the risk management and compliance procedures is managed by the Company Risk Management Group which consists of senior executives chaired by the CEO and reporting to the audit and risk management and compliance committee.

Detailed control procedures cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance and other risk management issues. Numerous risk management controls are embedded in the Group's management and reporting systems, including:

- policies and procedures for the management of financial risk and treasury operations, including hedging exposures to foreign currencies and interest rates;
- annual budgeting and monthly reporting systems for all divisions which enable monitoring of progress against performance targets, evaluation of trends and variances to be acted upon;
- health and safety programs and targets;
- Weekly cash flow analysis and forecasts, including monitoring capital expenditure, working capital and management of assets and liabilities;
- due diligence procedures for substantial acquisitions.

In addition, the Board requires that each major proposal submitted to the Board for decision be accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

Internal financial controls

In view of the divisional structure of the Company with divisional accounting functions, and considering cost effectiveness, the Company relies on its financial management team to perform internal audit functions.

Occupational health, safety, environment and training (OHSET)

The Company recognises the importance of OHSET issues and is committed to the highest levels of performance and review. The Company:

- monitors its compliance with all relevant legislation;
- continually assesses and improves the impact of its operations on the environment;
- encourages employees to actively participate in the management of OHSET issues.

Information on compliance with significant environmental regulations is set out in the Directors' report.

Financial Report.

Financial Year Ended 30 June 2005

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Directors' Report

Your directors present their report on the consolidated entity consisting of Transpacific Industries Group Ltd and the entities it controlled at the end of, or during the financial year ended 30 June 2005.

Directors

The names of directors of Transpacific Industries Group Ltd during the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

T E Peabody – Executive Chairman

H L Wilson – Executive Director and Chief Executive Officer

J J Richards – Non-Executive Director and Deputy Chairman (appointed 21 March 2005)

G D Mulligan – Non-Executive Director (appointed 13 November 2004)

R J Ruston – Non-Executive Director (appointed 08 March 2005)

B R Brown – Non-Executive Director (appointed 08 March 2005)

G F Sparks – Executive Director (appointed 21 March 2005)

H W Grundell – Executive Director (appointed 21 March 2005)

S G Smith (resigned 08 March 2005)

D A Peabody (resigned 08 March 2005)

The office of company secretary is held by K L Smith, B.Com (Hons), CA (appointed 08 March 2005).

Particulars of directors' qualifications, experience and special responsibilities are detailed on pages 14 to 15 and page 19 of the Annual Report.

Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- waste management and recycling including collection, transportation, treatment and sale or disposal of waste oil, cooking oil and other liquid waste;
- industrial solutions including industrial cleaning, high pressure water blasting and manufacture and lease out of parts washers; and
- commercial vehicles and parts importing and sales.

No significant changes in the nature of the activities of the consolidated entity occurred during the year.

Dividends – Transpacific Industries Group Ltd

Details of dividends in respect of the financial year are as follows:

	2005 \$'000	2004 \$'000
Special fully franked dividend declared on 8 March 2005 to pre-IPO shareholders	18,500	-
TOTAL DIVIDENDS DECLARED FOR PAYMENT	18,500	-

All dividends paid and proposed are fully franked.

Review of Operations, Financial Position, Business Strategies and Prospects

During the year the Company listed on the Australian Stock Exchange (ASX) on 3 May 2005 pursuant to a prospectus dated 29 March 2005. At time of listing the company's capital was restructured to 200,000,000 ordinary shares.

Net profit after income tax attributable to members of Transpacific Industries Group Ltd for the year ended 30 June 2005 was approximately \$22.9 million. Comparison to the prior year is not meaningful as the group was restructured in the year ended 30 June 2004. The best comparison is against prospectus forecasts which were set out in our FY05 results presentation of 31 August 2005 and set out earlier in this report.

The Company made a number of acquisitions during the year which are set out in the prospectus. Between listing date and 30 June 2005 the Company made two material acquisitions being Transpacific Waste Services (formerly Waste Services NSW) and Transpacific Technical Services (formerly Cleanaway Technical Services).

The Company has a sound financial position at 30 June 2005 generating strong cash flows to fund its working capital requirements and day to day cash flows. The cash and cash assets in a form readily convertible to cash that existed on 3 May 2005 was used in a way consistent with the Company's business objectives. All debt covenants have been satisfied and the Company has approximately \$50 million available in unused debt facilities. For business strategies and prospects refer below.

Earnings Per Share

The earnings per share presented below are stated using the post IPO share capital structure of 200,000,000 shares on the assumption that this structure was in place for the whole year. To present earnings per share on a basis otherwise would not be meaningful.

	2005 CENTS
Basic earnings per share	11.4
Diluted earnings per share	10.7

Significant Changes in the State of Affairs

Transpacific Industries Group Ltd was listed on the Australian Stock Exchange on 3 May 2005.

Prior to listing the company purchased a number of minority interests in the company's subsidiaries and \$22.6million in equity was issued as part settlement for the purchases. Capital was restructured for the purpose of listing as outlined in the prospectus.

There were no other material significant changes in the state of affairs of the Group that occurred during the year.

Matters Subsequent to the End of the Financial Year

Since 30 June 2005 the Company has acquired a number of businesses, which individually and in aggregate are not material.

No other matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations in future financial years, or the state of affairs of the consolidated entity in subsequent financial years.

Likely Developments and Expected Results of Operations

Material likely developments and expected results of operations of the consolidated entity have been notified to the market and include our investigation of further acquisitions and market opportunities.

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

Directors' Report (continued)

Environmental Regulation

The consolidated entity is subject to significant environmental regulation in respect of its activities.

The consolidated entity holds environmental licences for its sites throughout Australia and New Zealand.

There were no material breaches of environmental statutory requirements and no material prosecutions during the year.

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

DIRECTOR	BOARD MEETINGS**		AUDIT RISK MANAGEMENT AND COMPLIANCE COMMITTEE **		NOMINATION & REMUNERATION COMMITTEE**	
	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED	MEETINGS HELD WHILE A MEMBER	NUMBER ATTENDED
T E Peabody	8	8	*		1	1
H L Wilson	8	6	*		1	1
J J Richards	5	5	1	1	-	-
B R Brown	6	6	1	1	-	-
G D Mulligan	6	6	1	1	*	
R J Ruston	6	4	*		-	-
G F Sparks	5	5	*		*	
H W Grundell	5	5	*		*	
D A Peabody	3	1	*		*	
S G Smith	3	3	*		*	

* Not a member of the relevant committee.

** While preparing to list and since becoming a listed public company board meetings are held monthly. Previously while the Company was wholly-owned by Peabody family interests they were held as required to satisfy the Corporations Act 2001. The committees were formally established in connection with the company being listed. Previously, the committees functioned on an informal basis.

Director's Interests in Share Capital

Particulars of directors' beneficial interests in shares and options of Transpacific Industries Group Ltd as at the date of this report are as follows:

	ORDINARY SHARES	OPTIONS OVER UNISSUED ORDINARY SHARES
<i>EXECUTIVE</i>		
Terry Peabody	76,267,611	6,950,000
Howard Wilson	-	1,000,000
Harold Grundell	125,000	500,000
Geoff Sparks	83,000	500,000
<i>NON-EXECUTIVE</i>		
John Richards	8,395,834*	50,000
Bruce Brown	85,000	50,000
Graham Mulligan	30,000	50,000
Rod Ruston	31,250	50,000

* Includes shares issued as part payment for a minority interest in a controlled entity of the Company.

REMUNERATION REPORT

REMUNERATION POLICY

The key driver of Transpacific's remuneration policy is to attract and retain top quality directors and executives to ensure the continued success of the Group for the benefit of all our stakeholders.

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

A Principles used to determine the nature and amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation.

A Principles used to determine the nature and amount of remuneration

The objective of the company's executive remuneration framework is to ensure remuneration for performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward. In our business it is assumed that all environmental and safety requirements are satisfied but there are penalties in our remuneration framework if they are not. The Board ensures that executive remuneration satisfies the following key criteria for good corporate governance practices:

- competitiveness and reasonableness;
- acceptability and transparency to shareholders; and
- performance linkage/alignment of executive compensation to financial results, safety requirements, environmental compliance and contribution to continuous improvement initiatives.

The company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price;
- delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

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

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" remuneration.

The overall level of executive remuneration takes into account the performance of the consolidated entity over a number of years, with greater emphasis given to the current and prior year.

The Nomination & Remuneration Committee is responsible for reviewing remuneration and performance and may refer to external information on remuneration to establish remuneration policy and levels.

Directors' Report (continued)

Non-executive directors

A short and long-term remuneration structure is in place for the Non-executive directors:

- director fees;
- long-term incentives through participation in the Transpacific Executive Share Option Plan.

The payment of directors fees is to reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$750,000 per annum, to be apportioned among the Non-executive directors as the Board determines in its absolute discretion.

The four Non-executive directors pre TPI listing were also granted TPI share options which are discussed below.

Executives

Executive remuneration has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in the Transpacific Executive Share Option Plan; and
- other remuneration such as superannuation.

Base pay

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

An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any senior executives' contracts.

Benefits

Executives may receive benefits including car allowances, mobile phone and car parking.

Retirement benefits

Retirement benefits are not provided with the exception of statutory superannuation. Other retirement benefits may be provided directly by the company if approved by shareholders but there are none at this time.

Short-term incentives (Incentive Compensation – IC)

Should the company achieve a pre-determined profit target set by management and approved by the Board then an IC pool is available for allocation to executives during the annual review. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan.

Each executive has a target IC opportunity depending on the accountabilities of the role and organisation or business unit performance. For senior executives the maximum target IC bonus opportunity is 50% of total base salary. Each year, the remuneration committee considers the appropriate targets and key performance indicators (KPIs) to link the IC plan and the level of payout if targets are met. This includes setting any maximum payout under the IC plan, and minimum levels of performance to trigger payment of an IC.

For the year ended 30 June 2005, the KPIs linked to short term incentive plans were based on group and individual business objectives. These KPIs are generic across the senior executive team.

The Nomination and Remuneration committee is responsible for assessing whether the KPIs are met. To help make this assessment, the committee receives detailed reports on performance from management.

ICs may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the Nomination and Remuneration committee.

Cash IC (bonuses) are payable on 15 September each year after the financial year's results are compiled, audited and released to the market. This ensures transparency and shareholders can see the link between shareholder returns and employee remuneration.

Transpacific Executive Share Option Plan

Information on the Transpacific Executive Share Option Plan is set out on page 56 and was set out in the Prospectus. In short, however, the options granted to the Non-executive directors and certain executives in connection with the IPO vest over three years (for practical purposes commencing 31 August 2006) providing EBITA forecasts for year ending 30 June 2006 set out in the Transpacific Prospectus dated 29 March 2005 are met or exceeded. On achieving this target, 75% of the options vest if total shareholder return (TPI share price increment over offer price plus dividend) totals at least 15% per annum on a cumulative basis and 25% vest if the volume weighted average price of TPI shares has outperformed the S&P/ASX 200 (less financials) by 5% on a cumulative basis since the date the Company listed on the official list. The options granted to date were issued for no consideration and there have been no further options issued. From time to time, the Board will recommend that further options be issued in order to attract, incentivise and reward executives and Non-executive directors. Staff eligible to participate in the plan are senior management and Non-executive directors nominated by the Nomination and Remuneration committee.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of each director of Transpacific Industries Group Ltd and each of the five executives of the Company and the consolidated entity who received the highest remuneration for the year ended 30 June 2005 are set out in the following tables. You will see the base fixed components and the "at risk" performance related components discussed above. The options have been costed in accordance with methodology set out below.

EMOLUMENTS OF DIRECTORS OF TRANSPACIFIC INDUSTRIES GROUP LTD

	PRIMARY			EQUITY COMPENSATION	POST EMPLOYMENT	
	FEE/ SALARY \$	BONUS \$	OTHER \$	OPTIONS \$	SUPER \$	TOTAL \$
<i>EXECUTIVE</i>						
Terry Peabody	267,898	-	19,945	-	24,043	311,886
Howard Wilson*	297,006	152,400	149,300	32,571	45,356	676,633
Harold Grundell	202,170	102,600	27,697	16,286	27,429	376,182
Geoff Sparks	202,170	102,600	21,490	16,286	27,429	369,975
<i>NON-EXECUTIVE</i>						
John Richards	13,054	-	-	1,629	1,175	15,858
Bruce Brown	15,290	-	-	1,629	1,376	18,295
Graham Mulligan	28,875	-	-	1,629	2,599	33,103
Rod Ruston	18,589	-	-	1,629	-	20,218
	1,045,052	357,600	218,432	71,659	129,407	1,822,150

Emoluments for the Non-executive directors do not represent a full year as the Non-executive directors were appointed progressively through the year in connection with the Company's listing.

* Other benefits includes \$106,206 relating to non-recurring other benefits.

Directors' Report (continued)

Emoluments of the five most highly paid executive officers of the company and Consolidated entity

	PRIMARY			EQUITY COMPENSATION	POST EMPLOYMENT	TOTAL \$
	SALARY \$	BONUS \$	OTHER \$	OPTIONS \$	SUPER \$	
Stewart Smith	177,311	80,765	23,006	24,429	23,227	328,738
Paul Glavac	183,336	100,000	27,237	16,286	25,500	352,359
Terry Woods	177,586	100,000	27,222	16,286	26,458	347,552
Nick Badyk	163,850	30,000	38,696	16,286	21,337	270,169
Trevor Coonan (commenced 4 October 2004)	143,989	100,000	4,100	16,286	21,959	286,334
	846,072	410,765	120,261	89,573	118,481	1,585,152

All executives received 100% of their applicable IC (bonus) except for one person who received 30%.

C Service agreements

Remuneration and other terms of employment for the Executive Chairman, Chief Executive Officer and the executives specified above are formalised in executive service agreements. Each of these agreements provide for a performance-related cash IC (bonuses), other benefits including car allowances, and participation, when eligible, in the Transpacific Executive Share Option Plan. The agreements are ongoing and reviewed on a periodic basis. Terry Peabody's and Howard Wilson's agreement may be terminated on six months' notice. The other agreements may be terminated by the Company or the executive at any time on one months' notice. There are no non-statutory termination benefits provided for in the service agreements.

D Share based compensation

Options have been granted under the Transpacific Executive Share Option Plan which was approved by shareholders in March 2005. These options were issued in connection with the IPO and no further options have been issued. The option terms are set out above.

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	DATE EXERCISABLE
3 May 2005	31 July 2009	\$2.40	0.34	33.33% after 31 August 2006
3 May 2005	31 July 2009	\$2.40	0.43	33.33% after 31 August 2007
3 May 2005	31 July 2009	\$2.40	0.49	33.33% after 31 August 2008

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price is \$2.40 per share.

The amounts disclosed for emoluments relating to options above are the assessed fair values at grant date of options granted to directors and other executives, allocated over the period from grant date to vesting date. Fair values at grant date are 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 volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Details of options over ordinary shares in the company provided as remuneration to each director of Transpacific Industries Group Ltd and each of the five specified executives of the consolidated entity are set out below.

	REMUNERATION CONSISTING OF OPTIONS**	NUMBER OF OPTIONS GRANTED DURING THE YEAR *	NUMBER OF OPTIONS VESTED DURING THE YEAR
<i>EXECUTIVE DIRECTORS</i>			
Terry Peabody	-	-	-
Howard Wilson	4.8%	1,000,000	-
Harold Grundell	4.3%	500,000	-
Geoff Sparks	4.4%	500,000	-
<i>NON-EXECUTIVE DIRECTORS</i>			
John Richards	10.3%	50,000	-
Bruce Brown	8.9%	50,000	-
Graham Mulligan	4.9%	50,000	-
Rod Ruston	8.1%	50,000	-
<i>SPECIFIED EXECUTIVES</i>			
Stewart Smith	7.4%	750,000	-
Paul Glavac	4.6%	500,000	-
Terry Woods	4.7%	500,000	-
Nick Badyk	6.0%	500,000	-
Trevor Coonan	5.7%	500,000	-

* The options are exercisable in three equal tranches. The value of the options in each tranche is detailed above. No amounts were paid or are payable in respect of the options granted.

** Value of options as a percentage of total remuneration; this may be distorted where the directors and executives were engaged for part years.

Shares Under Option

Unissued ordinary shares of Transpacific Industries Group Ltd under option at the date of this report are set out below. These were disclosed in the prospectus. Brenzil Pty Ltd is associated with Peabody family interests and those options are intended to enable the Peabody family to retain effective control as the Non-executive director and executives options are exercised. As disclosed in the prospectus the Brenzil options have different share issue prices and are not part of Terry Peabody's remuneration; they are not linked to his service but granted to enable the Peabody family to retain 51% ownership of the Company.

DATE OPTIONS GRANTED	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER UNDER OPTION
3 May 2005 – Non-executive Directors and Executives	31 July 2009	\$2.40	6,950,000
3 May 2005 – Brenzil Pty Ltd	31 July 2009	\$2.76 to \$3.65	6,950,000

Shares Issued on the Exercise of Options

No ordinary shares of Transpacific Industries Group Ltd were issued during the year ended 30 June 2005 on the exercise of options granted under the Transpacific Industries Group Ltd Executive Share Option Plan or Brenzil Pty Ltd Option Deed.

Directors' Report (continued)

Directors and Officers Insurance

During the financial year Transpacific Industries Group Ltd paid insurance premiums to insure the directors and officers of the Company.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of the Company

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

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

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Management and Compliance Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporation Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management and Compliance Committee to ensure they do not impact the impartiality and objectivity of the auditor and;
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement F1, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Details of the amounts paid or payable to the auditor (Bentleys MRI Brisbane Partnership) for audit and non-audit services is set out below.

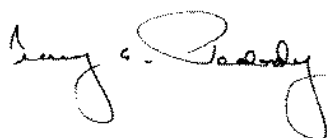
	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Bentleys MRI Brisbane Partnership	246	112	-	-
Overseas auditors associated with Bentleys MRI	33	24	-	-
	279	136	-	-
Amounts received for other services:				
Bentleys MRI Brisbane Partnership and Bentleys MRI (Qld) Pty Ltd	201	40	-	-
	480	176	-	-

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 34.

Rounding of Amounts

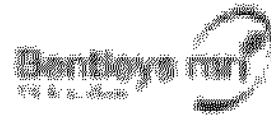
The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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



T E Peabody
Chairman

Brisbane, 12 September 2005



Bentley
Systems, Inc.
1000 Franklin Park
Bentley, MA 01906

1000 Franklin Park
Bentley, MA 01906

1000 Franklin Park
Bentley, MA 01906

1000 Franklin Park
Bentley, MA 01906

1000 Franklin Park
Bentley, MA 01906

**Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001
To the Directors of
Transpacific Industries Group Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit of the
financial statements of Transpacific Industries Group Limited, 2015, I am independent.

(a) no conflict of interest of the auditor's independence requirements of the
Corporations Act 2001 is relevant to the audit; and

(b) no circumstances exist of any significant relationship or interest in relation to
the audit.

Yours faithfully,
Bentley
Bentley Systems, Inc.

Mark A. Brown

Mark A. Brown (Partner)

Bentley, 27 September 2015

Statements of Financial Performance

For the Year Ended 30 June 2005

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue from ordinary activities	2	483,018	256,908	19,463	-
EXPENSES FROM ORDINARY ACTIVITIES					
Cost of sales		(264,951)	(177,239)	-	-
Employee expenses		(57,245)	(25,643)	-	-
Depreciation and amortisation expenses	3	(21,959)	(9,263)	-	-
Borrowing costs	3	(9,915)	(3,802)	(1,101)	-
Net book value of non-current asset disposals		(15,070)	-	-	-
Repairs and maintenance		(10,568)	(3,464)	-	-
Fuel purchases		(8,645)	(2,159)	-	-
Leasing charges	3	(5,738)	(3,329)	-	-
Freight costs		(4,878)	(1,343)	-	-
Waste disposal		(4,818)	(1,397)	-	-
Initial public offering costs	3	(4,449)	-	(4,449)	-
Other expenses		(39,160)	(15,096)	-	-
Share of net profits of associates accounted for using the equity method		1,305	155	-	-
Profit from ordinary activities before income tax expense		36,927	14,328	13,913	-
Income tax expense relating to ordinary activities	4	(12,078)	(4,774)	(7,080)	(3,894)
Net Profit from ordinary activities after income tax expense		24,849	9,554	6,833	(3,894)
Net profit attributable to outside equity interests		(1,968)	(879)	-	-
Net profit attributable to members of Transpacific Industries Group Ltd		22,881	8,675	6,833	(3,894)
Net exchange difference on translation of financial reports of foreign controlled entities		(399)	-	-	-
Net increase in asset revaluation reserve		9,322	-	-	-
Total revenues, expenses and valuation adjustments attributable to members and recognised directly in equity		8,923	-	-	-
Total changes in equity from non-owner related transactions attributable to members of Transpacific Industries Group Ltd		31,804	8,675	6,833	(3,894)
In accordance with AASB 1027:					
Basic earnings per share	39	19.5c			
Diluted earnings per share (cents per share)	39	19.1c			
Assuming capital restructure in place for full year:					
Basic earnings per share	39	11.4c			
Diluted earnings per share	39	10.7c			

The above statements of financial performance should be read in conjunction with the accompanying notes.

Statements of Financial Position

As at 30 June 2005

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
ASSETS					
Current assets					
Cash assets	5	37,754	17,813	12,609	-
Receivables	6	62,502	48,812	127,662	-
Inventories	7	80,309	75,135	-	-
Other assets	8	5,870	3,031	509	-
TOTAL CURRENT ASSETS		186,435	144,791	140,780	-
Non-current assets					
Investments accounted for using the equity method	9	7,387	6,491	-	-
Other financial assets	10	99	15	74,073	74,073
Property, plant and equipment	11	161,750	129,358	-	-
Intangible assets	12	63,298	31,329	-	-
Deferred tax assets	13	11,804	15,458	8,054	10,891
TOTAL NON-CURRENT ASSETS		244,338	182,651	82,127	84,964
TOTAL ASSETS		430,773	327,442	222,907	84,964
LIABILITIES					
Current liabilities					
Payables	14	80,207	51,818	383	2,917
Interest bearing liabilities	15	34,937	36,933	-	-
Tax liabilities	16	7,616	845	5,683	13
Provisions	17	24,573	7,596	12,000	-
Other	18	7,354	1,874	-	-
TOTAL CURRENT LIABILITIES		154,687	99,066	18,066	2,930
Non-current liabilities					
Payables	19	7,415	18,554	-	-
Interest bearing liabilities	20	132,688	107,593	106,800	-
Deferred tax liabilities	21	2,856	5,071	1,012	2,438
Provisions	22	10,283	2,250	6,500	-
TOTAL NON-CURRENT LIABILITIES		153,242	133,468	114,312	2,438
TOTAL LIABILITIES		307,929	232,534	132,378	5,368
NET ASSETS		122,844	94,908	90,529	79,596
EQUITY					
Contributed equity	23	96,673	74,073	96,673	74,073
Reserves	24	8,923	-	-	-
Retained profits	25	14,565	10,231	(6,144)	5,523
Equity attributable to members of Transpacific Industries Group Ltd		120,161	84,304	90,529	79,596
Outside equity interests	26	2,683	10,604	-	-
TOTAL EQUITY		122,844	94,908	90,529	79,596

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the Year Ended 30 June 2005

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers (inclusive of GST)		490,602	272,721	-	-
Payments to suppliers and employees (inclusive of GST)		(413,478)	(262,171)	-	-
		77,124	10,550	-	-
Government grant received		700	-	-	-
Interest received		1,060	686	-	-
Borrowing costs paid		(10,788)	(3,183)	(1,227)	-
Income taxes paid		(3,468)	(3,274)	-	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	31a	64,628	4,779	(1,227)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash acquired from wholly owned subsidiaries in connection with restructure	31c	-	5,208	-	-
Payments for purchase of equity and other investments, net of cash acquired	31c	(6,373)	-	-	-
Payments for purchase of businesses	31c	(22,632)	(590)	-	-
Payments for property, plant and equipment		(25,404)	(7,734)	-	-
Proceeds from disposal of property, plant and equipment		15,261	226	-	-
NET CASH (USED IN) INVESTING ACTIVITIES		(39,148)	(2,890)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts on behalf of suppliers		5,168	-	-	-
Net movement in trade and vendor finance		(2,967)	12,730	-	-
Payment of IPO costs		(1,949)	-	(1,949)	-
Repayment of bank loans		(47,625)	(7,025)	-	-
Proceeds from bank loans		106,900	-	106,900	-
Repayment of lease liabilities		(5,599)	(2,321)	-	-
Repayment of loans to related parties		(58,920)	-	-	-
Loans made to controlled entities		-	-	(91,115)	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		(4,992)	3,384	13,836	-
NET INCREASE IN CASH HELD		20,488	5,273	12,609	-
Cash at the beginning of the financial year		17,665	12,392	-	-
Effects of exchange rate changes on cash		(399)	-	-	-
CASH AT THE END OF THE FINANCIAL YEAR	5	37,754	17,665	12,609	-

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005

1 Summary of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Consensus Views and the Corporations Act 2001.

The financial report has been prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of previous years and the acquired entities.

The Australian Accounting Standards Board (AASB) is adopting Australian equivalents to International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. Information about how the transition to Australian equivalents to IFRS is being managed, and the key differences in accounting policies that are expected to arise, is set out in Note 43.

(A) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Transpacific Industries Group Ltd ("company" or "parent entity") as at 30 June 2005 and the results of all controlled entities for the year then ended. Transpacific Industries Group Ltd and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated financial statements from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses after tax of associates is recognised in the consolidated statement of financial performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

(B) TAXES

(i) Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

Transpacific Industries Group Ltd and its wholly-owned Australian controlled entities have been consolidated for tax purposes under the tax consolidation legislation from 1 July 2002.

(B) TAXES (CONTINUED)

(i) Income tax (continued)

As a consequence, Transpacific Industries Group Ltd, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. The consolidated group has not entered into a tax sharing agreement. The deferred tax balances recognised by the parent entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime, with one exception. The deferred tax balances relating to assets that had their tax values reset on joining the tax consolidated group, have been remeasured based on the carrying amount of those assets at the tax-consolidated group level and their reset tax values. The remeasurement adjustments to these deferred tax balances are also recognised in the consolidated financial statements as income tax expense or revenue, or as direct debits to the asset revaluation reserve to the extent the adjustments relate to the revaluation of assets. The impact on the income tax expense for the year is disclosed in Note 4.

(ii) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- a) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- b) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Cash flows are included in the statements of cash flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(C) FOREIGN CURRENCY TRANSLATION

(i) Translation of foreign currency transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year.

(ii) Specific hedges

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Gains or costs arising upon entry into a hedging transaction intended to hedge the purchase or sale of goods or services, together with subsequent exchange gains or losses resulting from those transactions are deferred in the statement of financial position from the inception of the hedging transaction up to the date of the purchase or sale and included in the measurement of the purchase or sale. The net amounts receivable or payable under the hedging transaction are also recorded in the statement of financial position. Any gains or losses arising on the hedging transaction after the recognition of the hedged purchase or sale are included in the statement of financial performance.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

(C) FOREIGN CURRENCY TRANSLATION (CONTINUED)

(ii) Specific hedges (continued)

In the case of hedges of monetary items, exchange gains or losses are brought to account in the financial year in which the exchange rates change. Gains or costs arising at the time of entering into such hedging transactions are brought to account in the statement of financial performance over the lives of the hedges.

When anticipated purchase or sale transactions have been hedged, actual purchases or sales which occur during the designated hedged period are accounted for as having been hedged until the amounts of those transactions in the designated period are fully allocated against the hedged amounts.

If the hedged transaction is not expected to occur as originally designated, or if the hedge is no longer expected to be effective, any previously deferred gains or losses are recognised as revenue or expense immediately.

If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur as designated, deferral of any gains and losses which arose prior to termination continues and those gains and losses are included in the measurement of the hedged transaction.

In circumstances where a hedging transaction is terminated prior to maturity because the hedged transaction is no longer expected to occur as designated, any previously deferred gains and losses are recognised in the statement of financial performance on the date of termination.

(iii) Translation of financial reports of overseas operations

For foreign controlled entities that are self-sustaining, its assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve.

Upon disposal or partial disposal of a self-sustaining foreign operation, the balance of the foreign currency translation reserve relating to the operation, or to the part disposed of, is transferred to retained profits.

For foreign controlled entities that are integrated with the activities of other entities in the group, the assets, liabilities and equity of the entity are consolidated into the controlling entity using the temporal method of translation whereby non-monetary assets and liabilities and equity items, including revenue and expenses, are translated using historic rates of exchange, and monetary assets and liabilities are translated using rates of exchange current at the reporting date. Any resultant exchange differences are recorded as revenue or expense by the controlled entity.

(D) ACQUISITION OF ASSETS

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at the acquisition date, unless the notional price at which they could be placed in the market is a better indicator of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

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 the acquisition. 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.

Goodwill is brought to account on the basis described in note 1(M)(i).

Where an entity or operation is acquired and the fair value of the identifiable net assets acquired, including any liability for restructuring costs, exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated. Where, after reducing the recorded amounts of the non-monetary assets acquired to zero, a discount balance remains it is recognised as revenue in the statement of financial performance.

(E) REVENUE RECOGNITION

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

(i) Waste management and recycling

Revenue is recognised upon the delivery of goods or services to customers. Waste treatment revenue is not recorded until the waste has been treated.

(ii) Industrial solutions

Contract revenue is measured by reference to labour hours incurred to date and actual costs incurred. Other revenue is recognised upon the delivery of goods or services to customers.

(iii) Commercial vehicles

Revenue is recognised upon the delivery of goods or services to customers.

(iv) Interest

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

(v) Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(vi) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(F) RECEIVABLES

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of statement. On special occasions the commercial vehicles group may give extended terms. Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 120 days overdue.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

(G) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of standard costs which reflect actual costs and vehicles are valued at actual cost.

(H) RECOVERABLE AMOUNT

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets have not been discounted to their present values using a market-determined, risk-adjusted discount rate.

(I) REVALUATIONS

Subsequent to initial recognition as assets, land and buildings are measured at fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised immediately as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential capital gains tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such tax will crystallise.

(J) DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings	25 - 40 years
Plant and equipment	2.5 - 20 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

The aircraft was not depreciated during the year as it was earmarked for sale and therefore stated at its recoverable amount. The aircraft was sold on 30 March 2005.

(K) LEASEHOLD IMPROVEMENTS

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 10 years.

(L) LEASES

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

(i) Finance leases

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Lease assets held at the reporting date are being amortised over periods ranging from 5 to 10 years.

(ii) Operating leases

Operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(M) INTANGIBLES

(i) Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over the period during which the benefits are expected to arise, which vary from 5 to 20 years for the carrying amounts of goodwill relating to acquisitions to date. The cost of acquisition is discounted as described in note 1(D) where settlement of any part of cash consideration is deferred.

(ii) Licences

Significant costs associated with patents, trademarks and licences are deferred and amortised on a straight line basis over the periods of their expected benefit, which vary from 5 to 10 years.

(N) TRADE AND OTHER PAYABLES

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

(O) INTEREST BEARING LIABILITIES

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Unpaid interest is accrued over the period it becomes due and is recorded as part of other creditors.

(P) DIVIDENDS PAYABLE

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

(Q) REPAIRS AND MAINTENANCE

Plant of the consolidated entity is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(J). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(R) EMPLOYEE BENEFITS

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in other creditors and provision for employee entitlements 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-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Short-term incentive compensation (ICs)/bonus plans

A liability for employee benefits in the form of ICs is recognised when the nomination and remuneration committee determines that IC criteria has been achieved and an amount is payable in accordance with the terms of the IC plan.

Liabilities for ICs are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(v) Equity based compensation

Equity-based compensation benefits are provided to employees via the Transpacific Industries Group Executive Share Option Scheme.

No accounting entries are made in relation to the Transpacific Industries Group Executive Share Option Scheme until options are exercised, at which time the amounts receivable from employees are recognised in the statement of financial position as share capital. The amounts disclosed for remuneration of directors and executives include the assessed fair values of options at the date they were granted.

(S) BORROWING COSTS

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

No borrowing costs have been capitalised.

(T) SERVICE WARRANTIES

Provision is made for the estimated liability on all products still under warranty at balance date. The amount of the provision is the present value of the estimated cash flows expected to be required to settle the warranty obligations, having regard to the service warranty experience and the risks of the warranty obligations. The provision is not discounted to its present value as the effect of discounting is not material.

(U) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(V) INVESTMENTS

Interests in listed and unlisted securities, other than controlled entities and associates in the consolidated financial statements, are brought to account at cost and dividend income is recognised in the statement of financial performance when receivable in accordance with Note 1(E)(v). Controlled entities and associates are accounted for in the consolidated financial statements as set out in Note 1(A).

(W) DERIVATIVES

As a result of its operating and investing activities, the consolidated entity is exposed to changes in interest rates and foreign exchange rates. The consolidated entity uses interest rate swaps and forward foreign exchange contracts to hedge these risks in certain instances. Derivative financial instruments are not held for speculative purposes.

(i) Forward exchange contracts

The consolidated entity enters into forward exchange contracts where it agrees to buy or sell specified amounts of foreign currencies in the future at a predetermined exchange rate. The objective is to match the contract with anticipated future cash flows for purchases in foreign currencies, to protect the consolidated entity against the possibility of loss from future exchange rate fluctuations. Forward exchange contracts are accounted for as set out in Note 1(C).

(ii) Interest rate swaps

The consolidated entity enters into interest rate swap agreements that are used to convert the variable interest rate of its short-term borrowings to medium term fixed interest rates. The swaps are entered into with the objective of reducing the risk of rising interest rates.

It is the company's policy not to recognise interest rate swaps in the financial statements. Net receipts and payments are recognised as an adjustment to interest expense.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

(X) CONTRIBUTED EQUITY

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs incurred by the company arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(Y) INITIAL PUBLIC OFFER (IPO) COSTS

In accordance with the prospectus the Company paid 49% and the vending shareholders paid 51% of the IPO costs. New equity was not raised so these costs were expensed in the statement of financial performance.

(Z) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial 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.

For the year ended 30 June 2005 Earnings Per Share has been calculated on the basis referred to above and on the capital structure following listing on the ASX as this is considered more meaningful and reflective of the ongoing position of the Company.

(AA) ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(AB) COMPARATIVES

Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosures. The Group was restructured on 28 February 2004 and therefore the 30 June 2004 comparatives do not reflect the same business as for the year ended 30 June 2005.

Earnings per share comparatives have not been provided as AASB 1027 "Earnings Per Share" was not applicable to the consolidated entity in the previous financial year.

Individual comparatives for directors' and executives' remuneration are not disclosed as AASB 1046 "Director and Executive Disclosure by Disclosing Entities" was not applicable to the consolidated entity in the previous financial year.

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
2 Revenue				
<i>REVENUE FROM OPERATING ACTIVITIES</i>				
Sale of Goods and Services	455,592	251,135	-	-
Product Stewardship Oil benefits	6,221	1,915	-	-
Government grants (hydrogenation)	700	-	-	-
Other revenue	2,334	1,909	-	-
	464,847	254,959	-	-
<i>REVENUE FROM OUTSIDE THE OPERATING ACTIVITIES</i>				
Interest revenue				
- related parties	57	-	941	-
- other parties	1,003	686	22	-
Dividends – wholly-owned controlled entities	-	-	18,500	-
Foreign currency exchange gains	1,850	1,037	-	-
Proceeds on disposal of property, plant and equipment	15,261	226	-	-
	18,171	1,949	19,463	-
REVENUE FROM ORDINARY ACTIVITIES	483,018	256,908	19,463	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
3 Expenses and Losses/(Gains)				
Profit from ordinary activities before income tax expense includes the following specific net gains and expenses				
<i>(A) NET GAINS</i>				
Net gain on disposal of property, plant and equipment	191	-	-	-
Net foreign exchange gains included in revenue	1,850	1,037	-	-
	2,041	1,037	-	-
<i>(B) NET EXPENSES AND LOSSES</i>				
Depreciation				
Buildings	569	446	-	-
Leasehold improvements	40	18	-	-
Plant and equipment	12,482	4,357	-	-
Aircraft	-	500	-	-
TOTAL DEPRECIATION	13,091	5,321	-	-
Amortisation				
Plant and equipment under finance leases	5,611	1,352	-	-
Goodwill	2,827	2,447	-	-
Licences	430	143	-	-
TOTAL AMORTISATION	8,868	3,942	-	-
TOTAL DEPRECIATION AND AMORTISATION	21,959	9,263	-	-
Other charges against assets				
Bad and doubtful debts – trade debtors	524	251	-	-
Borrowing costs:				
Interest			-	-
- related parties	2,280	1,487	-	-
- other parties	5,826	1,792	1,067	-
Finance charges – capitalised leases	1,691	523	-	-
Amortisation of deferred borrowing costs	118	-	34	-
TOTAL BORROWING COSTS	9,915	3,802	1,101	-
Other expenses and losses				
Operating lease rentals – minimum lease	5,738	3,329	-	-
Net loss on disposal of property, plant and equipment	-	90	-	-
<i>(C) SIGNIFICANT (REVENUES) AND EXPENSES</i>				
Foreign currency exchange (gain) on aircraft	(1,850)	(1,037)	-	-
Write down in value of aircraft	1,442	4,500	-	-
Initial public offer costs	4,449	-	4,449	-

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
4 Income Tax				
The prima facie tax on operating profit is reconciled to income tax provided in the financial statements as follows:				
Profit from ordinary activities before income tax expense	36,927	14,328	13,913	-
Income tax calculated at 30%	11,078	4,298	4,174	-
Tax effect of permanent differences:				
Rebateable dividends	-	-	(5,550)	-
Share of associates' net profits	(392)	(47)	-	-
Amortisation of goodwill and licence	887	252	-	-
Other	230	232	-	-
Income tax adjusted for permanent differences	11,803	4,735	(1,376)	-
Tax liabilities assumed by ultimate Australian parent entity	-	-	8,708	3,435
Income tax expense/(benefit) on transfer of deferred tax balances on application of tax consolidation	-	-	(252)	459
Under provision in previous financial period	175	-	-	-
Differential tax rate on overseas income	100	39	-	-
INCOME TAX EXPENSE	12,078	4,774	7,080	3,894
<i>DEFERRED TAX ASSETS AND LIABILITIES</i>				
Current tax payable	7,616	845	5,683	13
Provision for deferred income tax	2,856	5,071	1,012	2,438
Future income tax benefit – timing differences	8,065	7,344	4,478	4,141
Future income tax benefit – tax losses	3,739	8,114	3,576	6,750

Future income tax benefit not taken to account

There is a potential future income tax benefit in a controlled entity arising from tax losses that have not been recognised as an asset because at the time of purchasing the controlled entity the recovery of those tax losses was not virtually certain.

Tax losses carried forward	582	582	-	-
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The potential future income tax benefit will only be obtained if:

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
5 Current Assets - Cash Assets					
Cash at bank and on hand		22,866	12,065	6,409	-
Deposits at call		14,888	5,748	6,200	-
		37,754	17,813	12,609	-
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:					
Balances as above		37,754	17,813	12,609	-
Less: Bank overdrafts		-	(148)	-	-
BALANCE PER STATEMENT OF CASH FLOWS		37,754	17,665	12,609	-
Deposits at call are bearing interest rates between 4.0% and 5.4% (2004: 4.0 and 5.0%).					
6 Current Assets – Receivables					
Trade debtors		57,353	40,715	-	-
Less: Provision for doubtful debts		(608)	(345)	-	-
		56,745	40,370	-	-
Other receivables		3,163	913	-	-
Amounts owing - related parties and associates	36b & c	2,594	7,529	127,662	-
		62,502	48,812	127,662	-
7 Current Assets – Inventories					
Raw materials and stores – at cost		412	359	-	-
Work in progress – at cost		633	335	-	-
Finished goods – at cost		80,925	75,969	-	-
Less provision for obsolescence		(1,661)	(1,528)	-	-
		80,309	75,135	-	-
8 Current Assets – Other Assets					
Deferred exchange losses and costs		1,336	-	-	-
Prepayments		1,300	1,325	-	-
Other current assets		3,234	1,706	509	-
		5,870	3,031	509	-
9 Non-Current Assets – Investments Accounted for Using the Equity Method					
Investments in associates		7,387	6,082	-	-
Investments in joint venture entities		-	409	-	-
		7,387	6,491	-	-

The investment in joint venture was reclassified to controlled entities during the year.

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
10 Non-Current Assets – Other Financial Assets				
Shares in controlled entities at cost	-	-	74,073	74,073
Other investments at cost	99	15	-	-
	99	15	74,073	74,073
11 Property, Plant and Equipment				
<i>LAND</i>				
At fair value (2004: At cost)	22,320	9,016	-	-
<i>BUILDINGS</i>				
At fair value (2004: At cost)	28,892	22,611	-	-
Less: Accumulated amortisation	(822)	(3,574)	-	-
	28,070	19,037	-	-
<i>LEASEHOLD IMPROVEMENTS</i>				
At cost	895	752	-	-
Less: Accumulated amortisation	(584)	(554)	-	-
	311	198	-	-
<i>PLANT AND EQUIPMENT</i>				
At cost	133,219	108,971	-	-
Less: Accumulated amortisation	(59,383)	(53,093)	-	-
	73,836	55,878	-	-
<i>PLANT AND EQUIPMENT UNDER FINANCE</i>				
At cost	41,872	34,362	-	-
Less: Accumulated amortisation	(11,692)	(9,301)	-	-
	30,180	25,061	-	-
<i>AIRCRAFT</i>				
At fair value	-	13,000	-	-
<i>CAPITAL WORK IN PROGRESS</i>				
At cost	7,033	7,168	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	161,750	129,358	-	-

VALUATIONS

The basis of valuation of land, buildings and aircraft is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The revaluations of land and buildings, effective 28 February 2005 were based on independent assessments by a member of the Australian Property Institute. The revaluation of the aircraft was made by the directors based on the expected recoverable amount on sale.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

11 Property, Plant and Equipment (continued)

RECONCILIATIONS

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below.

	CONSOLIDATED	PARENT ENTITY
NOTES	2005 \$'000	2005 \$'000
<i>LAND</i>		
Carrying amount at beginning of year	9,016	-
Additions through acquisitions	948	-
Additions	6,638	-
Disposals	(1,404)	-
Revaluation	7,122	-
Carrying amount at end of year	22,320	-
<i>BUILDINGS</i>		
Carrying amount at beginning of year	19,037	-
Additions through acquisitions	200	-
Additions	8,540	-
Disposals	(1,038)	-
Revaluation	1,900	-
Depreciation	(569)	-
Carrying amount at end of year	28,070	-
<i>LEASEHOLD IMPROVEMENTS</i>		
Carrying amount at beginning of year	198	-
Additions	153	-
Depreciation	(40)	-
Carrying amount at end of year	311	-
<i>PLANT AND EQUIPMENT</i>		
Carrying amount at beginning of year	55,878	-
Additions through acquisitions	20,393	-
Additions	10,797	-
Disposals	(1,050)	-
Revaluation on acquisition	300	-
Depreciation	(12,482)	-
Carrying amount at end of year	73,836	-
<i>PLANT AND EQUIPMENT UNDER FINANCE LEASE</i>		
Carrying amount at beginning of year	25,061	-
Additions through acquisitions	559	-
Additions	11,147	-
Disposals	(976)	-
Depreciation	(5,611)	-
Carrying amount at end of year	30,180	-

11 Property, Plant and Equipment (continued)

	CONSOLIDATED	PARENT ENTITY
NOTES	2005 \$'000	2005 \$'000
<i>AIRCRAFT</i>		
Carrying amount at beginning of year	13,000	-
Write-down in value	(1,442)	-
Disposals	(11,558)	-
Carrying amount at end of year	-	-

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
12 Non-Current Assets - Intangibles				
Goodwill	71,781	37,507	-	-
Less: Accumulated amortisation	(10,343)	(7,468)	-	-
	61,438	30,039	-	-
Trademarks and licences	6,162	5,162	-	-
Less: Accumulated amortisation	(4,302)	(3,872)	-	-
	1,860	1,290	-	-
	63,298	31,329	-	-

13 Non-Current Assets – Deferred Tax Assets

Future income tax benefit				
- attributable to tax losses	3,739	8,114	3,576	6,750
- attributable to timing differences	8,065	7,344	4,478	4,141
	11,804	15,458	8,054	10,891

14 Current Liabilities - Payables

Trade creditors	38,276	22,387	-	-
Other creditors and accruals	34,137	17,494	383	-
Payables to wholly-owned subsidiaries	-	-	-	2,917
Payables to related parties and associates 36c	1,950	11,937	-	-
Deferred settlements	5,844	-	-	-
	80,207	51,818	383	2,917

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
15 Current Liabilities – Interest Bearing Liabilities					
<i>UNSECURED:</i>					
Trade and vendor finance		28,060	-	-	-
<i>SECURED:</i>					
Bank overdraft		-	148	-	-
Trade and vendor finance		-	31,026	-	-
Lease liability	32b	6,568	5,442	-	-
Hire purchase liabilities	32c	309	317	-	-
		6,877	36,933	-	-
		34,937	36,933	-	-
Details of the security relating to each of the secured liabilities are set out in Note 30					
16 Current Liabilities – Tax Liabilities					
Income tax payable		7,616	845	5,683	13
17 Current Liabilities – Provisions					
Employee entitlements		8,354	6,003	-	-
Provision for warranty		2,751	1,117	-	-
Provision for dividends payable		12,047	-	12,000	-
Provision – other		1,421	476	-	-
		24,573	7,596	12,000	-
18 Current Liabilities – Other					
Deferred income		5,611	1,874	-	-
Net value of foreign exchange contracts		1,743	-	-	-
		7,354	1,874	-	-
19 Non-Current Liabilities – Payables					
Deferred settlements		6,711	-	-	-
Amounts payable to related parties	36c	704	18,554	-	-
		7,415	18,554	-	-

		CONSOLIDATED		PARENT ENTITY	
	NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
20 Non-Current Liabilities – Interest Bearing Liabilities					
<i>UNSECURED:</i>					
Bank loans		106,800	-	106,800	-
Loans from related parties		2,260	41,290	-	-
		109,060	41,290	106,800	-
<i>SECURED:</i>					
Bank loans		-	47,525	-	-
Lease liabilities	32b	23,324	18,584	-	-
Hire purchase liability	32c	304	194	-	-
		23,628	66,303	-	-
		132,688	107,593	106,800	-
21 Non-Current Liabilities – Deferred Tax Liabilities					
Deferred income tax		2,856	5,071	1,012	2,438
22 Non-Current Liabilities – Provisions					
Employee entitlements		3,136	1,983	-	-
Provision for dividend		6,500	267	6,500	-
Provision – other		647	-	-	-
		10,283	2,250	6,500	-
23 Contributed Equity					
<i>(A) SHARE CAPITAL</i>					
Ordinary shares fully paid		96,673	74,073	96,673	74,073
		2005		2004	
	NOTES	NUMBER OF SHARES	\$'000	NUMBER OF SHARES	\$'000
<i>(B) MOVEMENTS IN ORDINARY SHARES</i>					
Balance at the beginning of the year		93,361,318	74,073	70,000,000	53,220
Issued during the financial year:					
- acquisition of controlled entities		9,416,667	22,600	23,361,318	20,853
- share split at listing		97,222,015	-	-	-
BALANCE AT THE END OF THE YEAR		200,000,000	96,673	93,361,318	74,073

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

23 Contributed Equity (continued)

(C) TERMS AND CONDITIONS OF CONTRIBUTED EQUITY

Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(D) SHARE OPTIONS

Executive Share Option Plan

The Company operates an executive share Option Plan ('the Option Plan') approved by shareholders of the Company in March 2005. Under the Option Plan the Board of Directors may issue options to non-executive directors and executives of the Company. The Board determines the price, number, exercise price, expiry date and relevant performance hurdles of options to be issued. There are no voting or dividend rights attached to the options.

Upon exercise of the options and payment of the exercise price, the executives are allotted one fully paid ordinary share in the Company for each option held.

On termination of employment of a participant generally the option lapses. In certain circumstances, the Board may elect to allow the terminating participant to retain their options.

Brenzil Pty Ltd Option Deed

The Company entered into an option deed with Brenzil Pty Ltd, an entity associated with the Peabody family interests. These options are intended to enable the Peabody family to retain effective control as the Non-executive director and executive options are exercised. There are no voting or dividend rights attached to the options.

Details of options over unissued ordinary shares as at the beginning and end of the financial year and movements during the year are set out below. No options were exercisable during the year and accordingly there were no amounts recognised in the financial statements.

DATE OPTIONS GRANTED	EXERCISE DATE ON OR AFTER	EXPIRY DATE	EXERCISE PRICE	OPTIONS GRANTED	NUMBER OF OPTIONS AT END OF YEAR	
					ON ISSUE	VESTED
<i>EXECUTIVE SHARE OPTIONS</i>						
3 May 2005	31 August 2006	31 July 2009	\$2.40	2,316,667	2,316,667	-
3 May 2005	31 August 2007	31 July 2009	\$2.40	2,316,667	2,316,667	-
3 May 2005	31 August 2008	31 July 2009	\$2.40	2,316,666	2,316,666	-
				6,950,000	6,950,000	-
<i>BRENZIL PTY LTD SHARE OPTIONS</i>						
3 May 2005	31 August 2006	31 July 2009	\$2.76	2,316,667	2,316,667	-
3 May 2005	31 August 2007	31 July 2009	\$3.17	2,316,667	2,316,667	-
3 May 2005	31 August 2008	31 July 2009	\$3.65	2,316,666	2,316,666	-
				6,950,000	6,950,000	-
				13,900,000	13,900,000	

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
24 Reserves					
Foreign currency translation reserve		(399)	-	-	-
Asset revaluation reserve		9,322	-	-	-
		8,923	-	-	-

(I) FOREIGN CURRENCY TRANSLATION RESERVE

a) Nature and purpose of reserve

The foreign currency translation reserve is used to record differences arising from the translation of the financial statements of self-sustaining foreign operations.

MOVEMENTS:

Foreign currency translation reserve:					
Opening balance		-	-	-	-
Loss on translation of foreign controlled entities		(399)	-	-	-
CLOSING BALANCE		(399)	-	-	-

(II) ASSET REVALUATION RESERVE

a) Nature and purpose of reserve

The asset revaluation reserve is used to record revaluations of non-current assets.

MOVEMENTS:

Asset revaluation reserve:					
Opening balance		-	-	-	-
Revaluation – 28 February 2005		9,322	-	-	-
CLOSING BALANCE		9,322	-	-	-

25 Retained profits

Opening balance	10,231	1,556	5,523	9,417
Net profit attributable to members of Transpacific Industries Group Ltd	22,881	8,675	6,833	(3,894)
Dividends provided for or paid	(18,547)		(18,500)	-
CLOSING BALANCE	14,565	10,231	(6,144)	5,523

26 Outside Equity Interests in Controlled Entities

OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES COMPRISE:

Interest in:

Contributed equity	2,344	8,683	-	-
Retained profits	339	1,844	-	-
Reserves	-	77	-	-
	2,683	10,604	-	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
27 Dividends				
<i>(A) ORDINARY SHARES</i>				
Special fully franked dividend declared on 8 March 2005 to minority shareholders (\$47,000 per share)	47	-	-	-
Special fully franked dividend declared on 8 March 2005 to pre-IPO shareholders (19.82c per share)	18,500	-	18,500	-
TOTAL DIVIDENDS DECLARED FOR PAYMENT	18,547	-	18,500	-

Apart from the above dividend payable to pre-IPO shareholders in accordance with the prospectus there is no dividend payable for the year ended 30 June 2005.

(B) FRANKING CREDIT BALANCE

Franking credits available for subsequent financial years based on a tax rate of 30%	4,796	7,929	2,901	4,934
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The above amounts represent the balance of the franking account at the end of the financial year, adjusted for franking credits that will arise from the payment of income tax payable as at the end of the financial year.

28 Investments in Controlled Entities

ENTITY	FORMATION/PLACE OF INCORPORATION	INTEREST HELD BY CONSOLIDATED ENTITY		COST OF PARENT ENTITY'S INVESTMENT	
		2005 %	2004 %	2005 \$'000	2004 \$'000
Transpacific Co Pty Ltd	Australia	100	100	20,853	20,853
Transpacific Resources Ltd	Australia	100	100		
Western Star Trucks Australia Pty Ltd	Australia	100	100	53,220	53,220
Man Automotive Imports Pty Ltd	Australia	100	100		
Man Imports Pty Ltd	Australia	100	100		
MAN Automotive Imports (NZ) Ltd	New Zealand	100	100		
Transpacific Industries Pty Ltd	Australia	100	100		
Australian Resource Recovery Pty Ltd	Australia	100	100		
Associated Oils Pty Ltd	Australia	100	100		
Environmental Recovery Services Pty Ltd	Australia	100	100		
ERS Australia Pty Ltd	Australia	100	100		
ERS Administrations Pty Ltd	Australia	100	100		
ERS Enviro Hire Pty Ltd	Australia	100	100		
Kleenparts Pty Ltd **	Australia	100	100		
ERS New Zealand Ltd	New Zealand	100	100		
ERS Singapore Pte Ltd	Singapore	100	100		
ERS Services (Malaysia) Sdn Bhd	Malaysia	100	100		
ERS Taiwan Ltd	Taiwan	100	100		
Australian Terminal Services Pty Ltd	Australia	63.08	63.08		
ATS Developments Pty Ltd	Australia	70	70		
NQ Resource Recovery Pty Ltd *	Australia	99.5	50		
Nationwide Oil Pty Ltd	Australia	100	75		
Oil & Fuel Salvaging (Qld) Pty Ltd **	Australia	100	-		
Transpacific Refiners Pty Ltd ** ⁽ⁱ⁾	Australia	50	-		
Transpacific Industrial Solutions Pty Ltd *	Australia	99.99	66.52		
QORS Pty Ltd	Australia	51	51		
Olmway Pty Ltd ⁽ⁱ⁾	Australia	50	50		
Transpacific Energy Pty Ltd	Australia	100	-		
Transpacific Manufacturing Systems P/L **	Australia	51	-		
				74,073	74,073

(i) Wholly-owned subsidiaries of the Company have management control and the casting vote of Transpacific Refiners Pty Ltd and Olmway Pty Ltd and thus the Company has the capacity to dominate decision making in relation to the financial and operating policies so as to enable those entities to operate as part of the consolidated entity in pursuing its objectives.

* Subsequent to year end, the group purchased the one share in NQ Resource Recovery Pty Ltd (which partially owns Transpacific Industrial Solutions Pty Ltd) from Terry Peabody, giving it 100% ownership.

** Acquired during the financial year. Refer to Note 31(c) for details.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

29 Investments Accounted for Using the Equity Method

(A) DETAILS OF INTERESTS IN ASSOCIATES ARE AS FOLLOWS:

ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST		CARRYING VALUE	
		2005 %	2004 %	2005 \$'000	2004 \$'000
Western Star Truck Centre Trust	Truck and bus dealership	50	50	-	-
Total Waste Management Pty Ltd	Waste management	50	50	4,082	3,502
Western Resource Recovery Pty Ltd	Waste management	50	50	1,893	1,246
Mann Waste Management Pty Ltd	Waste management	50	50	1,412	1,334
ERS Co Pty Ltd	Industrial services	49	49	-	409
				7,387	6,491

(B) CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES

	CONSOLIDATED	
	2005 \$'000	2004 \$'000
Carrying amount at the beginning of the financial period	6,491	-
Addition of new investments	-	6,336
	6,491	6,336
Share of net profits attributable to associates	1,305	155
Transfer of joint venture entity to controlled entity	(409)	-
CARRYING AMOUNT AT THE END OF THE FINANCIAL PERIOD	7,387	6,491

(C) RESULTS ATTRIBUTABLE TO ASSOCIATES

Profit from ordinary activities before related income tax	1,601	161
Income tax expense	(296)	(6)
Profits from ordinary activities after income tax	1,305	155
Accumulated losses attributable to associates at the beginning of the year	(593)	(748)
Retained profits/(Accumulated losses) attributable to associates at the end of the year	712	(593)

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

30 Financing Arrangements

The consolidated entity had unrestricted access at 30 June 2005 to an unsecured \$210 million syndicated multi-option facility as set out below. The Facility Agreement runs for three years from 3 May 2005 and includes covenants usual to an unsecured facility. The Company and consolidated entity can also borrow outside the facility. Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

In the prior year the company had facilities with different bankers and the facilities were secured. In addition the Company was privately owned and the pre-IPO shareholders also made loans to the company. These shareholder loans were not considered a debt facility and are therefore excluded from the comparatives below. They were repaid when the new facility commenced.

<i>DEBT FACILITIES</i>				
Total facilities available	219,956	102,438	-	-
Facilities utilised at balance date	(166,257)	(94,237)	-	-
Facilities not utilised at balance date	53,699	8,201	-	-

Facilities used at balance date include \$13.3 million in guarantees and letters of credit which are off the statement of financial position. Refer Note 33.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
31 Notes to the Statements of Cash Flows				
(a) Reconciliation of operating profit/(loss) after income tax to net cash flow from operating activities:				
Net profit/(loss) after income tax expense	24,849	9,554	6,833	(3,894)
<i>NON-CASH ITEMS</i>				
Depreciation of non-current assets	13,091	5,321	-	-
Amortisation of non-current assets	8,868	3,942	-	-
Bad and doubtful debt expense	524	251	-	-
Foreign exchange gain on loan	(1,850)	(621)	-	-
Dividends received from associates	-	-	(18,500)	-
Share of associates' net profits	(1,305)	(155)	-	-
Net (gain)/loss on disposal of property, plant and equipment	(191)	90	-	-
Write down in value of aircraft	1,442	4,500	-	-
CASH FLOW ADJUSTED FOR NON-CASH ITEMS	45,428	22,882	(11,667)	(3,894)
<i>CHANGES IN ASSETS AND LIABILITIES</i>				
Increase/(decrease) in receivables	(18,030)	(3,785)	(963)	-
(Increase)/decrease in other assets	(2,367)	(294)	(509)	-
(Increase)/decrease in inventories	(4,486)	(4,306)	-	-
Increase/(decrease) in payables	27,311	(10,064)	4,832	-
Increase/(decrease) in income tax payable	6,771	1,264	5,670	-
(Increase)/decrease in deferred taxes	1,881	1,632	1,410	3,894
(Decrease)/increase in other liabilities	3,964	(3,722)	-	-
Increase/(decrease) in other provisions	4,156	1,172	-	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	64,628	4,779	(1,227)	-

(b) Non-cash financing and investing activities

During the 2005 year the consolidated entity acquired plant and equipment with an aggregate fair value of \$11,146,667 (2004: \$3,715,135) by means of finance lease. These acquisitions are not reflected in the statement of cash flows.

During the year ended 30 June 2005 9,416,667 ordinary shares were issued for a value of \$22,600,000 as part settlement for the purchase of minority interests in controlled entities and repayment of loans. During the year ended 30 June 2004 23,361,318 ordinary shares were issued for a value of \$20,852,340 as part of a corporate restructure arrangement. These share issues are not reflected in the statement of cash flows as they were not cash flows.

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

31 Notes to the Statements of Cash Flows (continued)

(c) Acquisition of controlled entities and business operations

Controlled entities and businesses acquired during the year	Date acquired	Interest acquired	Consideration \$'000
Kleenparts Pty Ltd	1 July 2004	100%	417
Transpacific Manufacturing Systems Pty Ltd	8 July 2004	51%	1,250
Oil and Fuel Salvaging Pty Ltd	1 March 2005	100%	1,521
Transpacific Refiners Pty Ltd	28 June 2005	50%	250
Minority interests acquired	28 February 2005	25-49%	24,290
Businesses acquired during the year			38,187
			<u>65,915</u>

Details of the acquisitions are as follows:

	CONSOLIDATED	
	2005 \$'000	2004 \$'000
Total consideration	65,915	21,442
Non-cash consideration	(19,515)	(20,852)
Consideration payable in future years	(15,805)	-
Cash acquired	(389)	(5,208)
Minority equity investment in Transpacific Manufacturing Systems Pty Ltd	(1,201)	-
OUTFLOW/(INFLOW) OF CASH	29,005	(4,618)
Fair value of net assets acquired:		
Cash assets	389	5,208
Receivables	1,356	31,725
Inventories	688	3,232
Other assets	484	42,056
Deferred tax assets	442	-
Property, plant and equipment	22,100	101,486
Intangibles	1,336	-
Payables	(485)	(33,979)
Provisions and other liabilities	(2,624)	(3,919)
Interest bearing liabilities	(2,561)	(114,721)
Net assets at date of acquisition	21,125	31,088
Outside equity interest at acquisition	11,341	(9,684)
Goodwill on acquisitions	33,449	38
CONSIDERATION	65,915	21,442

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

32 Commitments for Expenditure

(A) OPERATING LEASES

The consolidated entity leases property, plant and equipment under operating leases expiring over terms of up to six years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	3,350	2,821	-	-
Later than one year and not later than five	6,897	6,237	-	-
Later than five years	508	1,153	-	-
COMMITMENTS NOT RECOGNISED IN THE FINANCIAL STATEMENTS	10,755	10,211	-	-

(B) FINANCE LEASES

The consolidated entity leases plant and equipment under finance leases expiring over terms of up to six years. At the end of the lease term the consolidated entity generally has the option to purchase the equipment at a percentage of market value.

Commitments in relation to finance leases are payable as follows:

Within one year	8,623	7,253	-	-
Later than one year and not later than	26,145	20,846	-	-
Later than five years	521	-	-	-
Minimum lease payments	35,289	28,099	-	-
Less:				
Future finance charges	(5,397)	(4,073)	-	-
TOTAL LEASE LIABILITIES	29,892	24,026	-	-
Representing lease liabilities:				
Current	15	6,568	5,442	-
Non-current	20	23,324	18,584	-
TOTAL LEASE LIABILITIES		29,892	24,026	-

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

32 Commitments for Expenditure (continued)

(C) HIRE PURCHASES

The consolidated entity has hire purchase agreements in place for various items of plant and equipment expiring over terms of up to three years.

Commitments in relation to hire purchases are payable as follows:

Within one year		340	366	-	-
Later than one year and not later than five		337	216	-	-
Minimum hire purchase payments		677	582	-	-
Less:					
Future finance charges		(64)	(71)	-	-
TOTAL HIRE PURCHASE LIABILITIES		613	511	-	-
Representing hire purchase liabilities:					
Current	15	309	317	-	-
Non-current	20	304	194	-	-
TOTAL HIRE PURCHASE LIABILITIES		613	511	-	-

(D) CAPITAL EXPENDITURE AND OTHER COMMITMENTS

Other commitments in relation to capital expenditure and purchase commitments entered into:

Within one year		822	1,245	-	-
COMMITMENTS NOT RECOGNISED IN THE FINANCIAL STATEMENTS		822	1,245	-	-

33 Contingent Liabilities

(A) GUARANTEES

The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities and associates in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations.

Letters of credit issued to suppliers		799	-	-	-
Bank guarantees outstanding at balance date in respect of financing facilities		6,164	-	-	-
Bank guarantees outstanding at balance date in respect of contractual performance		6,347	-	-	-
		13,310	-	-	-

Notes to the Financial Statements

For the Financial Period Ended 30 June 2005 (continued)

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

33 Contingent Liabilities (continued)

(B) LITIGATION AND OTHER CLAIMS

A claim has been brought against a controlled entity for use of the Interline Technology. The action is being defended and a counter-claim should it proceed has been made. In the Directors' opinion, the Company will be successful in defending this case.

From time to time claims may be brought against the consolidated entity in the normal course of business. Other than the matter referred to above the Directors are of the opinion that there are no other matters requiring disclosure.

	CONSOLIDATED		PARENT ENTITY	
NOTES	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

34 Employee Benefits and Superannuation Commitments

(A) EMPLOYEE BENEFITS

The aggregate employee benefits liability, including on-costs is comprised of:

Provisions (current)	8,354	6,003	-	-
Provisions (non-current)	3,136	1,983	-	-
	11,490	7,986	-	-

(B) EMPLOYEE NUMBERS

NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES AS AT 30 JUNE 2005	1,327	1,136	-	-
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(C) SUPERANNUATION COMMITMENTS

The company and its controlled entities contribute to accumulated benefit superannuation plans for employees. The consolidated entity contributes at least the statutory percentage required in each jurisdiction where it operates.

35 Remuneration of Auditors

Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:

Auditor of the parent entity	246	112	-	-
Other auditors of controlled entities	33	24	-	-
	279	136	-	-
Amounts received for other services:				
Other services	201	40	-	-
	480	176	-	-

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

36 Related Parties

(A) DIRECTORS AND SPECIFIED EXECUTIVES

Disclosures relating to directors and specified executives are set out in Note 41.

(B) WHOLLY-OWNED GROUP TRANSACTIONS

The wholly-owned group consists of Transpacific Industries Group Ltd and its wholly-owned entities listed at Note 28.

Transactions between Transpacific Industries Group Ltd and other entities in the wholly-owned group during the years ended 30 June 2005 and 2004 consisted of:

- loans advanced by Transpacific Industries Group Ltd and other wholly-owned entities;
- loans repaid to Transpacific Industries Group Ltd and other wholly-owned entities;
- the payment of interest on the above loans;
- the payment of dividends to Transpacific Industries Group Ltd and other wholly-owned entities;
- management fees charged to wholly-owned entities; and
- sales between wholly-owned entities.

The above transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of principal on loans advanced. The average interest rate charged on the loans during the year was 6.5% (2004 – 6.5%).

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with entities in the wholly-owned group:

	PARENT ENTITY	
	2005 \$'000	2004 \$'000
Interest revenue	941	-
Dividend revenue	18,500	-

Aggregate amounts receivable from entities in the wholly-owned group at balance date:

	PARENT ENTITY	
	2005 \$'000	2004 \$'000
Current receivables (loans)	127,662	(2,917)

(C) OTHER RELATED PARTIES

Aggregate amounts included in the determination of operating profit before income tax that resulted from transactions with each class of other related parties:

Interest revenue				
Associates	57	-	-	-
Interest expense				
Director-related parties	1,949	1,028	-	-
Minority shareholders	331	459	-	-

Notes to the Financial Statements

For the Financial Period Ended 30 June 2005 (continued)

	CONSOLIDATED		PARENT ENTITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
36 Related Parties (continued)				
<i>(C) OTHER RELATED PARTIES (CONTINUED)</i>				
Aggregate amounts brought to account in relation to other transactions with each class of other related parties:				
Loans advanced to:				
Associates	74	-		
Minority shareholders	250	-		
Loan repayments to:				
Director-related entities	55,283	-		
Minority shareholders	3,961	-		
Aggregate amounts receivable from, and payable to, each class of other related parties at balance date:				
Current receivables:				
Associates	2,344	1,900		
Director-related entities	-	5,629		
Minority shareholders	250	-		
	2,594	7,529		
Current payables:				
Associates	1,900	2,270		
Director-related entities	-	9,667		
Minority shareholders	50	-		
	1,950	11,937		
Non-current payables:				
Director-related entities	-	17,869		
Minority shareholders	704	685		
	704	18,554		
Non-current Interest Bearing Liabilities:				
Director-related entities	-	35,000		
Minority shareholders	2,260	6,290		
	2,260	41,290		

Transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. Interest was charged at 6.5% (2004 – 6.5%).

36 Related Parties (continued)

(C) OTHER RELATED PARTIES (CONTINUED)

As outlined in the Prospectus, the group owned an aircraft until its sale on 30 March 2005 to an entity related to Terry Peabody. Between 31 March and 3 May 2005 while Transpacific was still privately owned, the aircraft was hired by Transpacific for company business – mainly relating to the IPO roadshow. Since 3 May 2005 when Transpacific became a public Company the aircraft was hired for company business on normal commercial terms and conditions. Transpacific continues to administer the aircraft charters. No charter revenue or costs, other than when Transpacific hires the aircraft, are borne by Transpacific. Transpacific charges the related party \$10,000 per annum for administration time. The effect is:

30 March 2005

Sale proceeds of \$11,688,000 were recognised giving a profit before tax on sale of aircraft of \$130,000.

31 March to 3 May 2005 (date of listing)

Payment for hire of aircraft of \$68,600 in relation to the IPO roadshow has been expensed in IPO costs.

Administration fee charged to the related party was \$904.

3 May to 30 June 2005

The Company paid \$9,600 for the hire of the aircraft which was used to fly five Transpacific executives in connection with the acquisition of businesses. This amount was capitalised. Administration fee charged to the related party was \$1,589.

During the year, a group company held the liquor licence for the Craggy Range and Capricorn wine business in Australia and provided accounting services. The licence and business were transferred out of the group effective 1 July 2005 and a net receivable of approximately \$172,676 remained at 30 June 2005 in respect of the business and its employees. During the year the group made neither profit nor loss on this business.

At 30 June 2005, \$25,597 was receivable from a related party in connection with the supply of goods as a pass through cost. The Company incurs no profit or loss on this transaction.

The Company administered charters and costs in relation to a boat owned by a related party. At 30 June 2005, the related party owed \$40,818 to the Company. The Company incurs no profit or loss on this transaction.

The Company trades on normal commercial terms and conditions on an arm's-length basis with companies connected with two Non-executive directors – JJ Richards and Sons Pty Ltd and Campbell Brothers Limited.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

37 Segment Information

PRIMARY REPORTING – BUSINESS SEGMENTS

The consolidated entity comprises the following main business segments:

Waste management and recycling	Includes collection, transportation, treatment and sale or disposal of waste oil, cooking oil and other liquid waste
Industrial solutions	Includes industrial cleaning, high pressure water blasting and manufacture and lease out of parts washers
Commercial vehicles	Importation and distribution of commercial vehicles and parts

Inter-segment pricing is determined on an arms-length basis.

2005	WASTE MANAGEMENT & RECYCLING \$'000	INDUSTRIAL SOLUTIONS \$'000	COMMERCIAL VEHICLES \$'000	ELIMINATIONS \$'000	CONSOLIDATED \$'000
Sales to external customers	105,805	129,169	220,618		455,592
Inter-segment sales	2,622	868	-	(3,490)	
TOTAL SALES REVENUE	108,427	130,037	220,618	(3,490)	455,592
Other revenue	11,158	680	15,588	-	27,426
TOTAL SEGMENT REVENUE	119,585	130,717	236,206	(3,490)	483,018
Segment result before associates	11,772	8,681	19,758		40,211
Share of net profit of associates	1,305	-	-		1,305
SEGMENT RESULT	13,077	8,681	19,758		41,516
Unallocated revenue less unallocated expenses					(4,589)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE					36,927
Income tax expense					(12,078)
NET PROFIT					24,849
Depreciation and amortisation expense	9,556	11,157	1,246	-	21,959
Other non-cash expenses	242	91	1,442	-	1,775
Segment assets	198,849	122,168	148,538	(67,341)	402,214
Investments in associates included in segment assets	7,387	-	-		7,387
Unallocated assets					21,172
TOTAL ASSETS					430,773
Segment liabilities	178,447	93,611	77,634	(67,341)	282,351
Unallocated liabilities					25,578
TOTAL LIABILITIES					307,929
Acquisition of non-current assets	66,905	15,414	690	-	83,009

37 Segment Information (continued)

PRIMARY REPORTING – BUSINESS SEGMENTS (CONTINUED)

2004	WASTE MANAGEMENT & RECYCLING \$'000	INDUSTRIAL SOLUTIONS \$'000	COMMERCIAL VEHICLES \$'000	ELIMINATIONS \$'000	CONSOLIDATED \$'000
Sales to external customers	28,238	32,791	190,105	-	251,134
Inter-segment sales	931	389		(1,320)	-
TOTAL SALES REVENUE	29,169	33,180	190,105	(1,320)	251,134
Other revenue	2,444	129	2,163	-	4,736
TOTAL SEGMENT REVENUE	31,613	33,309	192,268	(1,320)	255,870
Segment result before associates	3,597	1,608	8,968		14,173
Share of net profit of associates	155	-	-	-	155
SEGMENT RESULT	3,752	1,608	8,968	-	14,328
Unallocated revenue less unallocated expenses					-
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE					14,328
Income tax expense					(4,774)
NET PROFIT					9,554
Depreciation and amortisation expense	3,676	3,983	1,604		9,263
Other non-cash expenses			4,500		4,500
Segment assets	110,674	84,472	141,831	(26,917)	310,060
Investments in associates included in segment assets	6,491	-	-	-	6,491
Unallocated assets					10,891
TOTAL ASSETS					327,442
Segment liabilities	101,283	65,054	87,746	(26,917)	227,166
Unallocated liabilities					5,368
TOTAL LIABILITIES					232,534
Acquisition of non-current assets*	85,229	58,789	454	-	144,472

* The corporate restructure on 28 February 2004 resulted in the waste management & recycling and industrial services segments being acquired by the Company. As a result the acquisition of non-current assets includes the non-current assets of these segments acquired as part of the restructure.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

37 Segment Information (continued)

SECONDARY REPORTING – GEOGRAPHICAL SEGMENTS

In presenting information on the basis of geographic segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets:

Australia	All three business segments have operations.
New Zealand	All three business segments have operations.
South East Asia	Industrial services operations and commercial vehicles sales.

	AUSTRALIA \$'000	NEW ZEALAND \$'000	SOUTH EAST ASIA \$'000	TOTAL \$'000
2005				
Sales to external customers	427,919	26,658	1,015	455,592
Segment net assets	118,874	3,604	366	122,844
Acquisition of non-current assets	69,594	13,415	-	83,009
	AUSTRALIA \$'000	NEW ZEALAND \$'000	SOUTH EAST ASIA \$'000	TOTAL \$'000
2004				
Sales to external customers	237,399	12,868	867	251,134
Segment net assets	93,365	1,134	409	94,908
Acquisition of non-current assets	142,522	1,340	610	144,472

NOTES TO AND FORMING PART OF THE SEGMENT INFORMATION

(A) CHANGE IN SEGMENT ACCOUNTING POLICY

In the prior year segment reporting was broken into waste management and recycling and commercial vehicles divisions only as this reflected the management reporting structure of the Company at that time. This year an improved management reporting system has been implemented and results are accounted for in three segments. Comparative information has been restated to reflect this change.

38 Financial Instruments

(A) DERIVATIVE INSTRUMENTS

Transpacific Industries Group Ltd and certain of its controlled entities are parties to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates.

Bank loans of the consolidated entity currently bear an average variable interest rate of 6.5%. It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the consolidated entity has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or other creditors.

The contracts require settlement of net interest receivable or payable each 30 days.

Swaps currently in place cover approximately 75% (2004 – 21%) of term debt outstanding and expire August 2006 and May 2010. The fixed interest rates currently range between 6.74% and 6.79% (2004 – 6.3%) and the variable rate at balance date was 6.51%.

38 Financial Instruments (continued)

(A) DERIVATIVE INSTRUMENTS (CONTINUED)

At 30 June 2005, the notional principal amounts and periods of expiry of the interest rate swap contracts are as follows:

	2005 \$'000	2004 \$'000
1 – 2 years	10,000	-
2 – 3 years	-	10,000
4 – 5 years	70,000	-
	80,000	10,000

The Commercial Vehicles group sells vehicles and parts purchased from the United States and Germany. In order to protect against exchange rate movements, the consolidated entity has entered into forward exchange contracts to purchase US dollars and Euro.

The contracts are timed to mature when major shipments are scheduled to arrive in Australia reflecting when the Company has to pay for the goods and cover a proportion of anticipated purchases for the ensuing financial year.

At balance date, the details of outstanding contracts are:

BUY US DOLLARS	SELL AUSTRALIAN DOLLARS		AVERAGE EXCHANGE RATE	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Maturity				
0 - 6 months	37,899	-	0.752	-
6 - 12 months	24,934	-	0.752	-
BUY EURO	SELL AUSTRALIAN DOLLARS		AVERAGE EXCHANGE RATE	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Maturity				
0 - 6 months	43,222	-	0.6043	-
6 - 12 months	14,664	-	0.6059	-

As these contracts are hedging anticipated future purchases, any unrealised gains and losses on the contracts, together with the cost of the contracts, are deferred and will be recognised in the measurement of the underlying transaction provided the underlying transaction is still expected to occur as originally designated. Included in the amounts deferred are any gains and losses on hedging contracts terminated prior to maturity where the related hedged transaction is still expected to occur as designated.

Amounts receivable and payable on open contracts are included in other assets and liabilities respectively.

The following gains and losses have been deferred at balance date:

	2005 \$'000	2004 \$'000
Unrealised gains	-	-
Less: Unrealised losses	1,336	-
NET UNREALISED LOSSES	1,336	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

38 Financial Instruments (continued)

(B) CREDIT RISK EXPOSURES

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

Credit risk on interest rate and foreign exchange contracts which have not been recognised on the statement of financial position is minimal as counterparties are large Australian and international banks with acceptable credit ratings determined by a recognised ratings agency.

(C) INTEREST RATE RISK EXPOSURES

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

	WEIGHTED AVERAGE INTEREST RATE (%)	FLOATING INTEREST RATE \$'000	FIXED INTEREST MATURING IN:				TOTAL \$'000
			1 YEAR OR LESS \$'000	OVER 1 YEAR TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON- INTEREST BEARING \$'000	
2005							
FINANCIAL ASSETS							
Cash and deposits	5.2	37,718	-	-	-	36	37,754
Trade and other receivables	-	-	-	-	-	59,908	59,908
Amounts receivable from related parties	-	-	-	-	-	2,594	2,594
Other financial assets	-	-	-	-	-	99	99
TOTAL FINANCIAL ASSETS		37,718				62,637	100,355
FINANCIAL LIABILITIES							
Trade and vendor finance	6.62	28,060	-	-	-	-	28,060
Bank loans	6.61	106,800				-	106,800
Lease liabilities	6.79		6,877	23,628			30,505
Payable to related parties	6.5			2,260		2,654	4,914
Deferred settlements	-					12,555	12,555
Net value of foreign exchange contracts	-					1,743	1,743
Trade and other accruals	-					72,413	72,413
TOTAL FINANCIAL LIABILITIES		134,860	6,877	25,888		89,365	256,990

38 Financial Instruments (continued)

(C) INTEREST RATE RISK EXPOSURES (CONTINUED)

	FIXED INTEREST MATURING IN:						
	WEIGHTED AVERAGE INTEREST RATE (%)	FLOATING INTEREST RATE \$'000	1 YEAR OR LESS \$'000	OVER 1 YEAR TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON- INTEREST BEARING \$'000	TOTAL \$'000
2004							
FINANCIAL ASSETS							
Cash and deposits	4.63	17,788	-	-	-	25	17,813
Trade and other debtors	-	-	-	-	-	41,283	41,283
Amounts receivable from related parties	-	-	-	-	-	7,259	7,259
Other financial assets	-	-	-	-	-	15	15
TOTAL FINANCIAL ASSETS		17,788	-	-	-	48,582	66,370
FINANCIAL LIABILITIES							
Bank overdrafts	5.78	148	-	-	-	-	148
Trade and vendor finance	5.92	31,026	-	-	-	-	31,026
Bank loans	5.93	47,525	-	-	-	-	47,525
Lease liabilities	6.48	-	5,758	18,779	-	-	24,537
Payable to related parties	-	-	-	41,290	-	30,491	71,781
Trade and other accruals	-	-	-	-	-	39,881	39,881
TOTAL FINANCIAL LIABILITIES		78,699	5,758	60,069	-	70,372	214,898

(D) NET FAIR VALUES OF ASSETS AND LIABILITIES

The carrying amounts of financial assets and liabilities recognised in the statement of financial position approximate their fair values.

The net fair value of financial instruments not recognised on the statement of financial position held as at 30 June 2005 are:

	2005 \$'000	2004 \$'000
Interest rate swaps	600	-

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

39 Earnings Per Share

	2005	2004
Calculated in accordance with AASB 1027:		
Basic earnings per share (cents per share)	19.5c	
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	117,572,603	
Diluted earnings per share (cents per share)	19.1c	
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	119,781,370	

For the year ended 30 June 2005 Earnings Per Share has been calculated on the basis referred to above and on the capital structure following listing on the ASX as this is considered more meaningful and reflective of the ongoing position of the Company.

	2005	2004
Calculated based on the ongoing position of the company:		
Basic earnings per share (cents per share)	11.4c	
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	200,000,000	
Diluted earnings per share (cents per share)	10.7c	
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	213,900,000	

40 Economic Dependency

The consolidated entity's vehicle and parts importing business depends on it receiving an ongoing supply of fully assembled vehicles and spare parts from the owners of Western Star, Autocar and MAN. While interruption to one manufacturers supply would impact the commercial vehicles operation it would generally require both Western Star and MAN supply interruptions to materially harm this business.

41 Director and Executive Disclosures

(A) DETAILS OF SPECIFIED DIRECTORS AND SPECIFIED EXECUTIVES

(i) Specified directors

Terry Peabody (Chairman)

Howard Wilson (Chief Executive Officer)

Harold Grundell

Geoff Sparks

John Richards (Deputy Chairman) (appointed 21 March 2005)

Bruce Brown (appointed 8 March 2005)

Graham Mulligan (appointed 13 November 2004)

Rod Ruston (appointed 8 March 2005)

(ii) Specified executives

Stewart Smith – Advisor to Executive Chairman

Paul Glavac – Managing Director, Commercial Vehicles Group

Terry Woods – Managing Director, Environmental Recovery Services Pty Ltd

Nick Badyk – Managing Director, Transpacific Industrial Solutions Pty Ltd

Trevor Coonan – Chief Financial Officer (commenced employment 4 October 2004)

The disclosures relating to remuneration of specified directors and executives is set out in the remuneration report section of the directors report on pages 27 to 31.

OPTION HOLDINGS

The number of options over ordinary shares in the company held during the financial year by each director of the Company and each of the five specified executives of the consolidated entity, including their personally-related entities, are set out below. No options are vested and unexercisable at the end of the year.

NAME	BALANCE AT THE START OF THE YEAR	GRANTED DURING THE YEAR AS REMUNERATION	EXERCISED DURING THE YEAR	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
Specified directors:						
Terry Peabody	-	-	-	6,950,000	6,950,000	-
Howard Wilson	-	1,000,000	-	-	1,000,000	-
John Richards	-	50,000	-	-	50,000	-
Bruce Brown	-	50,000	-	-	50,000	-
Graham Mulligan	-	50,000	-	-	50,000	-
Rod Ruston	-	50,000	-	-	50,000	-
Geoff Sparks	-	500,000	-	-	500,000	-
Harold Grundell	-	500,000	-	-	500,000	-
Specified executives:						
Stewart Smith	-	750,000	-	-	750,000	-
Paul Glavac	-	500,000	-	-	500,000	-
Terry Woods	-	500,000	-	-	500,000	-
Nick Badyk	-	500,000	-	-	500,000	-
Trevor Coonan	-	500,000	-	-	500,000	-

SHARE HOLDINGS

The number of shares in the company held during the financial year by each director of the Company and each of the five specified executives of the consolidated entity, including their personally-related entities are set out below.

NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Specified directors:				
Terry Peabody (including relatives)	93,361,318	-	8,638,682	102,000,000
Howard Wilson	-	-	-	-
John Richards	-	-	8,395,834	8,395,834
Bruce Brown	-	-	85,000	85,000
Graham Mulligan	-	-	30,000	30,000
Rod Ruston	-	-	31,250	31,250
Geoff Sparks	-	-	83,000	83,000
Harold Grundell	-	-	125,000	125,000
Specified executives:				
Stewart Smith	-	-	-	-
Paul Glavac	-	-	25,000	25,000
Terry Woods	-	-	84,000	84,000
Nick Badyk	-	-	44,000	44,000
Trevor Coonan	-	-	700,000	700,000

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

41 Director and Executive Disclosures (continued)

LOANS TO DIRECTORS AND EXECUTIVES

During the year ended 30 June 2005, \$23,722 was advanced to a director of the Company. Interest was charged at 6.5%.

42 Subsequent Events

Since 30 June 2005 the Company has acquired a number of businesses, which individually and in aggregate are not material.

No other matter or circumstance has arisen since 30 June 2005 that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations in future financial years, or the state of affairs of the consolidated entity in subsequent financial years.

43 Impact of adopting Australian equivalents to IFRS

The Australian Accounting Standards Board is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgents Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings at 1 July 2004.

The consolidated entity has established a project team to manage the transition to AIFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team is chaired by the Chief Financial Officer and reports regularly to the audit and risk management and compliance committee.

The project team has analysed all of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. These choices have been analysed to determine the most appropriate accounting policy for the consolidated entity.

The known or reliably estimable impacts on the statement of financial performance and statement of financial position for the year ended 30 June 2005 had it been prepared using AIFRS are set out below. No material impacts are expected in relation to the statement of cash flows.

(A) INCOME TAX

Under AASB112 Income Taxes, deferred tax balances are to be determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method whereby items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss. Also current and deferred taxes cannot be recognised directly in equity.

43 Impact of adopting Australian equivalents to IFRS (continued)

(A) INCOME TAX (CONTINUED)

If the policy required by AASB 112 had been applied during the year ended 30 June 2005 deferred tax liabilities relating to revalued assets would have been \$2,797,000 higher and the asset revaluation reserve would have been lower by the same amount.

An anomaly may arise when a company adopts the tax consolidation regime and in particular in respect of the tax value of assets. The ATO is aware of this anomaly and the legislation is under review. If the legislation is changed there will be no AIFRS impact on the statement of financial position. If the anomaly remains then deferred tax assets and retained earnings may be reduced by approximately \$700,000.

(B) INTANGIBLE ASSETS - GOODWILL

Under AASB 3 Business Combinations, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generating unit.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over the period during which the benefits are expected to arise and not exceeding 20 years.

If the policy required by AASB 3 had been applied during the year ended 30 June 2005, consolidated goodwill at 30 June 2005 would have been \$2,827,000 higher and consolidated amortisation expense for the year ended 30 June 2005 would have been \$2,827,000 lower.

(C) EQUITY-BASED COMPENSATION BENEFITS

Under AASB 2 Share-based Payment, from 1 July 2004 the group is required to recognise an expense for those options that were issued to employees under the Transpacific Industries Group Ltd Executive Share Option Plan.

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, consolidated employee benefits expense would have been \$226,371 higher, with a corresponding increase in a share-based payment reserve in equity.

(D) FINANCIAL INSTRUMENTS

The Group will be taking advantage of the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 July 2005. This allows the Group to apply previous Australian generally accepted accounting principles (Australian GAAP) to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB 132, the current classification of financial instruments issued by entities in the consolidated entity would not change.

(E) REVENUE DISCLOSURES IN RELATION TO THE SALE OF NON-CURRENT ASSETS

Under AIFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current Australian GAAP treatment under which the gross proceeds from the sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact on the profit or loss of this difference is nil.

If the policy required under AIFRS had been applied during the year ended 30 June 2005, the consolidated revenue from ordinary activities would have been \$15,261,000 lower, the consolidated carrying amount of non-current assets sold disclosed as an expense in the statement of financial performance would have been \$15,070,000 lower and the consolidated other income would have been \$191,000 higher.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2005 (continued)

F) BUSINESS COMBINATION

AASB 3 Business Combinations changes the basis of recording business acquisitions. The most noticeable change relates to, in certain circumstances, recognising a profit in the statement of financial performance at the time of acquiring a business. These circumstances arise if the acquisition price is less than the fair value of the net assets acquired and in particular may arise when the acquired intangibles are fair valued.

If the policy required under AIFRS had been applied during the year ended 30 June 2005, the consolidated revenue, net profit and intangibles would have increased by \$2 million.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and IASB. Therefore, until the company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

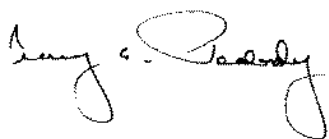
Directors' Declaration

In the opinion of the directors of Transpacific Industries Group Ltd:

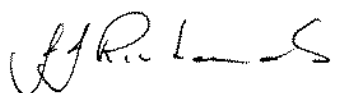
- (a) the financial statements and notes numbered 1 to 43 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (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; and

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



T E Peabody
Chairman



J J Richards
Deputy Chairman

Brisbane, 12 September 2005

Independent Audit Report to Members of Transpacific Industries Group Ltd

Scope

THE FINANCIAL REPORT, REMUNERATION DISCLOSURES AND DIRECTORS' RESPONSIBILITY

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration of Transpacific Industries Group Ltd (the Company) and Transpacific Industries Group Ltd and controlled entities (the consolidated entity) for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during the year.

The Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Accounting Standard AASB 1046 Director and Executive Disclosures by Disclosing Entities, under the heading "Remuneration Report" in pages 27 to 31 of the directors' report as permitted by the Corporations Regulations 2001.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the directors' report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows and whether the remuneration disclosures comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and remuneration disclosures, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 34 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion,

1. the financial report of Transpacific Industries Group Ltd is in accordance with:
 - (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - (b) other mandatory professional reporting requirements in Australia.
2. the remuneration disclosures that are contained in pages 27 to 31 of the director's report comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.



Bentleys MRI
Brisbane Partnership



P M Power
Partner

Brisbane
12 September 2005

Shareholder information.

Top 20 shareholders as at 31 August 2005

	No. of shares	% Held
Tandom Pty Ltd	39,740,566	19.86
Brenzil Pty Ltd	36,527,045	18.26
Filmore Limited	25,732,389	12.86
J P Morgan Nominees Australia Limited	12,329,794	6.16
ANZ Nominees Limited (Cash Income A/C)	11,626,080	5.81
JJ Richards & Sons Pty Ltd	8,333,334	4.17
National Nominees Limited	6,617,552	3.31
Citicorp Nominees Pty Limited (CFS Future Leaders Fund A/C)	5,569,806	2.78
Westpac Custodian Nominees Limited	3,588,101	1.79
Suncorp Custodian Services Pty Limited	3,551,515	1.78
Queensland Investment Corporation	2,723,472	1.36
Citicorp Nominees Pty Limited (CFSIL CFS WS Small Comp A/C)	1,861,012	0.93
Cogent Nominees Pty Limited	1,752,721	0.88
UBS Private Clients Australia Nominees Pty Ltd	1,229,820	0.61
AMP Life Limited	1,051,322	0.53
GIO General Ltd	1,024,600	0.51
Cogent Nominees Pty Limited (SMP Accounts)	899,244	0.45
Equity Trustees Limited (SGH PI Absolute Return Fund)	866,781	0.43
WDFT Pty Ltd	837,333	0.42
Suncorp General Insurance Limited	810,700	0.41
Total	166,673,187	83.31

Substantial shareholders

The number of shares held by substantial shareholders as disclosed in the substantial shareholding notices given to the Company as at 31 August 2005 were:

	No. of shares	% Held
Tandom Pty Ltd	39,740,566	19.86
Brenzil Pty Ltd	36,527,045	18.26
Filmore Limited	25,732,389	12.86
ING Australia Holdings Limited and related companies	14,312,450	7.16
Total	116,312,450	58.14

An entity has a substantial shareholding if the total votes attaching to shares in which the entity and their associates have a relevant interest is 5% or more. The list of the twenty largest shareholders is based on the number of shares held in the name of each shareholder (not including their associates), even if the shareholder does not have a relevant interest in the shares, for example, because the shareholder holds the share as a nominee. The list of the twenty largest shareholders of the Company and the list of substantial shareholders of the Company differ for this reason.

Statement of Quoted Securities

The Company's total number of shares on issue as at 31 August 2005 is 200,071,429 ordinary fully paid shares. At 31 August 2005 the total number of shareholders owning these shares was 3,899 on the register of members maintained by Computershare Investor Services Pty Ltd.

83.31% of total issued capital is held by or on behalf of the twenty largest shareholders.

Voting rights

Under the Company's constitution, every member entitled to vote who is present at a general meeting of the Company in person or by proxy or by attorney or in the case of a corporation, by representative, shall, upon a show of hands, have one vote only.

Where a member is entitled to cast two or more votes it may appoint not more than two proxies or attorneys.

Poll – On a poll, every member entitled to vote shall, whether present in person or by proxy or attorney or, in the case of a corporation, by representative, have one vote for every share held by the member.

At 31 August 2005, there were options over 13,900,000 unissued ordinary shares. 6,950,000 options are held by Non-executive directors and executives of the Corporate group (excluding the Executive Chairman) granted under the Transpacific Executive Share Option Plan.

6,950,000 options are held by Brenzil Pty Ltd under an option deed. There are no voting rights attached to unissued ordinary shares.

Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

Distribution Schedule of Shareholders

No. of shares:	1 – 1000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over
No. of shareholders:	612	2088	675	465	59

The number of shareholders each holding less than a marketable parcel of the Company's ordinary shares at 31 August 2005 was 4.

Shares subject to voluntary escrow

The Company has entered into a restriction deed with Brenzil Pty Ltd, Tandom Pty Ltd and Filmore Limited which collectively own 51% of the issued share capital of the Company. Under the restriction deed, these shareholders agree not to dispose of or agree or offer to dispose of the shares held by them as set out below for a period of 18 months from the date of official quotation on ASX (3 May 2005) of the shares in the Company. The escrow period ends 3 November 2006.

	No. of restricted shares
Tandom Pty Ltd	39,740,566
Brenzil Pty Ltd	36,527,045
Filmore Limited	25,732,389

Stock Exchange listing

The shares of Transpacific Industries Group Ltd are listed on the Australian Stock Exchange under the trade symbol TPI, with Brisbane being the home exchange.

Corporate Information.

Website:

www.transpacific.com.au

Directors:

Terry Peabody
Executive Chairman and Director.

Howard Wilson
Chief Executive Officer
and Executive Director.

John Richards
Deputy Chairman and
Non-Executive Director.

Bruce Brown
Non-Executive Director.

Graham Mulligan
Non-Executive Director.

Rod Ruston
Non-Executive Director.

Harold Grundell
Executive Director.

Geoff Sparks
Executive Director.

Company Secretary:
Kellie Smith.

Registered Office:

Level 1, Caroma Building
159 Coronation Drive
Milton QLD 4064

Auditors:

Bentleys MRI Brisbane Partnership
Level 26, AMP Place
10 Eagle Street
Brisbane QLD 4000

Bankers:

Commonwealth Bank of Australia
240 Queen Street
Brisbane QLD 4000

Share Registry:

Computershare Investor
Services Pty Limited
Level 27, Central Plaza One
345 Queen Street
Brisbane QLD 4000
Enquiries: 1300 552 270
(within Australia)
Telephone: 61 7 3237 2100
www.computershare.com.au

