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31 August 2005

Company Announcements
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sirs

ANNOUNCEMENT – CMA Corporation Limited Results

We attach an Announcement for immediate release to the market.

The Announcement includes Appendix 4E and the Financial Report for the period from 10 March 2005 to 30 June 2005.

Yours sincerely,

Patrick Raper
Company Secretary
CMA Corporation Limited

APPENDIX 4E ANNOUNCEMENT
PRELIMINARY FINAL REPORT

CMA CORPORATION LIMITED
A.B.N. 40 113 329 016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting period

- The reporting period is from the date of incorporation, 10 March 2005 to 30 June 2005.
- There is no previous corresponding period.
- The economic entity has adopted A-IFRS.
- The Prospectus issued 3 June 2005 includes at item 6.4.Summarised Group Earnings Information including adjusted historical and pro-forma forecast information prepared under A-GAAP.
- The Financial Reports are prepared in Australian Dollars.

Results for the period

	Actual A-IFRS ($000)	Actual A-GAAP ($000)	Pro-forma forecast in Prospectus (A-GAAP) ($000)
Revenue from ordinary activities in the reporting period	21,147	21,340	25,675
Profit from ordinary activities after tax attributable to members	3,006	3,513	3,292
Net profit for the period attributable to members	3,006	3,513	3,292
Shares on issue at the date of this report	128,500,004	128,500,004	
Net tangible assets per security	.087	.093	
Earnings per security (EBIT)	.036	.040	

Dividends

The company declared a fully-franked dividend of 1 cent per share on 30 August 2005, payable on 14 October 2005.

The record date for determining entitlements to the dividend is 30 September 2005.

Comments on results for the period

On 31 March 2005 the company acquired its wholly-owned subsidiaries. The operating results from 31 March to 30 June 2005 for the subsidiaries are included in the results detailed above.

The demolition and remediation services that the company provides includes demolition of large industrial facilities on behalf of some of Australia's leading companies. The facilities are remediated by the deconstruction and subsequent disposal of materials from the contract sites, and where necessary, treatment of contaminated conditions at the site.

Overall results of the division have met expectations, with the subsidiary Moltoni

Adams Group Pty Limited achieving management forecasts for the period under review. The nature of this contracting division is such that the contracts are usually for periods from between one and three years. There is a pipeline of new potential contracts which are under review.

The division in the next twelve months is looking to consolidate its market position by securing a number of contracts that are currently under tender.

The metal trading division operates in a highly competitive environment. Materials are sourced from the demolition and remediation contract services division as well as from other suppliers. A significant portion of the sales are exports to Asia.

The company's audited financial statements are attached.

Included in the financial statements are the following:

- A statement of financial performance titled "Income Statement for the period from 10 March 2005 to 30 June 2005"
- A statement of financial position titled "Balance Sheet as at 30 June 2005".
- A statement of retained earnings titled "Statement of Changes in Equity for the period from 10 March 2005 to 30 June 2005".
- A statement of cash flows titled "Cash Flow Statement for the period from 10 March 2005 to 30 June 2005".
- Notes to the Financial Statements for the period from 10 March 2005 to 30 June 2005.
- Details of entities over which control has been gained or lost during the period.

The company does not have any associate or joint venture entities at the date of this report nor were there any associate or joint venture entities at any time in the reporting period nor were there any associate or joint entities at any time since the end of the reporting period to the date of this report.

No dividends have been paid by the company to the date of this report.
The company has declared a fully-franked dividend of 0.01cents per share on 30 August 2005, payable on 14 October 2005.

The company does not have a Dividend or Distribution Investment Plan in place at the date of this report.

CMA CORPORATION LIMITED

A.B.N. 40 113 329 016

and Controlled Entities

Financial Statements

for the Period

from 10 March 2005

to 30 June 2005

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

It is the intention of the Company to adopt the best practice recommendations of the ASX Corporate Governance Council. This will include the appointment of up to 4 independent non-executive directors when suitably qualified candidates are available.

Board Composition

The names, status and date of appointment of directors of the company are:

Peter Hatfull	Non-Executive Chairman	11 March 2005
Paul Adams	Managing Director	11 March 2005
Kevin Adams	Executive Director	11 March 2005
Johnny Chung	Executive Director	11 March 2005
Joseph Chung	Executive Director	11 March 2005
Alan Good	Non-Executive Independent Director	25 July 2005
Rob Moltoni	Non-Executive Director	11 March 2005

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

- less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- none of the director's income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice at the company's expense in the furtherance of their duties as directors. Written approval must be obtained from the chairman prior to incurring any expense on behalf of the company.

Board Charter

The Board Charter has been adopted by the Board and governs various aspects of the Board including:

i. Responsibilities of the Board

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:

- oversight of the Company, including its control and accountability systems;
- appointing and removing the Managing Director, including approving remuneration of the
- Managing Director and the remuneration policy and succession plans for the Managing Director;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer/ Company Secretary;

- input into the final approval of management's development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

ii. Expertise

The Board shall ensure that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including:

- accounting;
- finance;
- business;
- experience in the demolition, scrap metal and metal trading industries;
- risk management;
- public company experience;
- legal skills; and
- Managing Director - level of experience.

The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

iii. Managing Director and Chief Financial Officer/Company Secretary assurances

It is the responsibility of both the Managing Director and the Chief Financial Officer/Company Secretary to provide written assurances to the Board that in all material respects:

- the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively

Committees

To assist with the execution of its responsibilities, the Board has established an Audit Committee, Remuneration Committee and Nomination Committee. Each Board committee has in place a charter, approved by the Board, setting out its responsibilities.

i. Audit Committee

The role and responsibilities, composition, structure and membership requirements of the Audit Committee are documented in a separate Audit Committee Charter.

The Audit Committee will consist of:

only non-executive directors;

a majority of independent directors;

an independent chair, who is not the Chair of the Board; and

at least 3 members.

At the date of this report, the members of the Audit Committee are:

- Mr Alan Good (Chairman)
- Mr Peter Hatfull
- Mr Rob Moltoni

The Audit Committee must review the integrity of the Company's financial reporting and oversee the independence of the external auditors.

The qualifications of those appointed to the Audit Committee and their attendance at meetings of the committee are included in the Directors' Report.

ii. Remuneration Committee

The role and responsibilities, composition, structure and membership requirements of the Remuneration Committee are set out in detail in a Remuneration Committee Charter approved by the Board.

The Remuneration Committee must consist of a minimum of 3 members, the majority of whom should be independent and should be chaired by an independent director.

Currently there is only one independent director and two non-executive directors. The Remuneration Committee therefore consists of

- Mr Alan Good (Chairman)
- Mr Peter Hatfull
- Mr Rob Moltoni

The responsibilities of the Remuneration Committee include:

- executive remuneration and incentive policies;
- the remuneration packages of senior management;
- the Company's recruitment, retention and termination policies and procedures for senior management;
- incentive schemes;
- superannuation arrangements; and
- the remuneration framework for directors.

iii. Nomination Committee

The role and responsibilities, composition, structure and membership requirements of the Nomination Committee are documented in a separate Nomination Committee Charter approved by the Board.

The Nomination Committee consists of a minimum of 3 members, the majority of whom should be independent. An independent director should chair the Nomination Committee.

Currently there is only one independent director and two non-executive directors. The Remuneration Committee therefore consists of

- Mr Peter Hatfull (Chairman)
- Mr Alan Good
- Mr Paul Adams

The responsibilities of the Nomination Committee include:

- assessment of the necessary and desirable competencies of Board members;
- review of Board succession plans;
- evaluation of the Board's performance; and
- recommendations for the appointment and removal of directors.

Code of Conduct for Directors and Officers

To promote ethical and responsible decision-making, the Board has approved a Code of Conduct for Directors and Officers (the Managing Director, the Chief Financial Officer/Company Secretary and any other key executives) as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Code of Conduct for Directors and Officers deals with the following main areas:

- conflicts of interest;
- confidentiality;
- fair dealing;
- compliance with laws and regulations;
- corporate opportunities;
- protection and proper use of the Company's assets; and
- encouraging the reporting of unlawful, unethical behaviour**.**

Directors and the senior management team must comply with the Code of Conduct and demonstrate commitment to the Code and consistency in its execution. Adherence to the Code of Conduct must be periodically evaluated and action taken where necessary**.**

Code of conduct covering obligations to stakeholders

The Board has established a code of conduct (**Code**) to guide compliance with legal and other obligations to legitimate stakeholders.

The Code includes:

- responsibilities to shareholders and the financial community generally;
- responsibilities to clients, customers and consumers;
- employment practices;
- obligations relative to fair trading and dealing;
- responsibilities to the individual;
- responsibilities to the community;
- how the Company complies with legislation affecting its operations; and
- how the Company monitors and ensures compliance with the Code of Conduct towards stakeholders.

Remuneration Policy

CMA Corporation Limited is a new entity and is in the process of integrating, formalising and making contemporary the Remuneration policies of the acquired controlled entities.

The remuneration set for key executives of the economic entity were set by the Board prior to the acquisition of the controlled entities.

The Board has appointed a Remuneration Committee consisting of Alan Good (Chairman), Peter Hatfull, and Paul Adams. Mr Larry Mitchell is Secretary of the Committee.

This committee met for the first time on 23 August 2005 to review the processes in place for the economic entity remuneration year commencing on 1 October 2005.

The committee intends to investigate the implementation of an employee share option plan to provide an employee incentive scheme for performance enhancement.

The Board's current policy for determining the nature and amount of remuneration for Board members and senior executives of the economic entity is as follows:

The initial remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board after seeking professional advice from independent external consultants.

All executives receive a base salary (which is based on factors such as qualifications and experience relating to their specific roles), and superannuation. The remuneration committee will review the current policy and executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is to be measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the economic entity's profits and shareholders' value. All bonuses and incentives will be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives will also be entitled to participate in the employee share and option arrangements if the members approve such a scheme.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee will determine payments to the non-executive directors and review their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In the Prospectus dated 3 June 2005, this amount was advised to be $400,000.

Fees for non-executive directors are not linked to the performance of the economic entity.

Policies

The Board has established policies relating to the following matters.

i. Risk management

The Company's risk management policy (**Risk Management Policy**) describes the roles and respective accountabilities of the Board, the Audit Committee (or other appropriate committee) and management.

The Risk Management Policy also covers a risk profile, which includes an assessment of the risks facing the Company, compliance and control and an assessment of effectiveness of the above policies.

ii. Delegation of authority

The Company's statement of delegated authority sets out the Company's policy relevant to the delegation of authority to management to conduct the day-to-day management of the Company.

Directors have no individual authority to make representations or enter agreements on behalf of the Company unless such authority is expressly delegated by the Board.

iii. Share trading

The Company's share trading policies (**Share Trading Policies**) document the Company's policy relevant to trading in company securities by directors, officers and employees.

Each of the Share Trading Policies clearly identifies those individuals who are restricted from trading, the relevant laws relating to trading, and includes a coherent strategy for trading.

iv Communications strategy with shareholders

The Company's communications strategy (**Communications Strategy**) is designed to promote effective communication with shareholders and encourage participation at general meetings.

The Communications Strategy includes policies and procedures relating to use of the Company's website as a means of communicating with shareholders.

v Disclosure

The Company's disclosure policy (**Disclosure Policy**) is designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

The Disclosure Policy includes vetting and authorisation processes designed to ensure that Company accounts:

- are made in a timely manner;
- are factual;
- do not omit material information; and
- are expressed in a clear and objective manner that allows the input of the information when making investment decisions.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.cmacorp.com.au.

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial period from incorporation on 10 March 2005 to the financial period end on 30 June 2005.

Directors

The names of directors in office at any time during or since the end of the year are:

Peter Hatfull	Chairman — Non-Executive	Appointed 11 March 2005
Paul Adams	Managing Director	Appointed 11 March 2005
Kevin Adams	Director — Executive	Appointed 11 March 2005
Johnny Tung Hui Chung	Director — Executive	Appointed 11 March 2005
Joseph Tong Hong Chung	Director — Executive	Appointed 11 March 2005
Alan Good	Director — Independent Non-Executive	Appointed 25 July 2005
Rob Moltoni	Director — Non-Executive	Appointed 11 March 2005
Phillip Anthony Hourigan	Appointed 10 March 2005	Retired 11 March 2005
Paul Michael Paxton-Hall	Appointed 10 March 2005	Retired 11 March 2005
Mark Richard Dillman	Appointed 10 March 2005	Retired 11 March 2005

Company Secretary

The following persons held the position of Company Secretary at the end of the financial year:

Patrick James Raper, FCPA and FAICD. Patrick Raper has worked for CMA Corporation Limited since 29 March 2005. Prior to that he held financial management and company secretarial roles in the tourism, hospitality and property and funds management industries. He was appointed Company Secretary on 31 March 2005.

Peter Hatfull, who is also the Chairman, was appointed Company Secretary on 11 March 2005 and resigned on 23 August 2005.

Principal Activities

The principal activities of the economic entity during the financial period were:

- Demolition and Remediation Contracting Services.
- Scrap Metal Trading.

The following significant changes in the nature of the principal activities occurred during the financial period:

- the parent entity was incorporated on 10 March 2005 with issued capital of $4.
- the economic entity was created on 31 March 2005 when the parent entity acquired all the issued capital in the following wholly owned subsidiaries:

  T&T Metal Trading Pty Limited

  T&T Metal & Asbestos Services Pty Limited

  Moltoni Adams Group Pty Limited
- with the purchase of Moltoni Adams Group Pty Limited the economic entity also acquired all the issued units in Asia Pacific Metals Unit Trust ("APT") and all the issued shares in Asia Pacific Metals Pty Limited (trustee of APT).
- With these acquisitions, the economic entity commenced operations in demolition and remediation contracting services and scrap metal trading.

Operating Results

The consolidated profit of the economic entity after providing for income tax amounted to $ 3,005,895 as measured under the Australian equivalents to International Financial Reporting Standards (A-IFRS).

The consolidated profit includes results from trading for the period from 10 March 2005 to 30 June 2005 for CMA Corporation Limited and for the period from 31 March 2005 to 30 June 2005 for the wholly owned subsidiaries. Results from trading for the wholly owned subsidiaries for the period up to 31 March 2005 are classified as pre acquisition profits.

On 3 June 2005, CMA Corporation Limited issued a Prospectus for the issue of 22,500,000 shares. In that Prospectus the forecast results of CMA Corporation Limited were prepared under Australian Generally Accepted Accounting Principles.(A-GAAP)

The following table shows the gross revenue, EBITDA, EBIT, Net Profit before Tax and Net Profit after Tax of the economic entity as set in the Prospectus dated 3 June 2005 compared to actual results prepared under A-IFRS and A-GAAP.

	3 Months to 30 June 2005 Actual Audited A-IFRS	***3 Months to 30 June 2005 Actual A-GAAP***	***3 Months to 30 June 2005 Pro-Forma Prospectus***
	$000	$000	$000
Revenue	21,157	21,340	25,675
EBITDA	5,410	6,115	5,392
EBIT	4,781	5,288	4,852
Net Profit Before Tax	4,579	5,086	4,702
Net Profit after Tax	3,006	3,513	3,292

Note 2 to the Financial Statements sets out a reconciliation of the A-IFRS and A-GAAP results.

The company was admitted to the Australian Stock Exchange on 8 July, 2005, and shares commenced trading on 12 July 2005

Dividends Paid or Recommended

The directors recommend and have declared an ordinary dividend of $0.01 per share based on the period end 30 June 2005 results to be paid in October 2005. The total of the dividend payable is $1,285,000

Review of Operations

Demolition and Remediation Contract Services

The demolition and remediation services that the company provides includes demolition of large industrial facilities on behalf of some of Australia's leading companies. The facilities are remediated by the deconstruction and subsequent disposal of materials from the contract sites and, where necessary, treatment of contaminated conditions at the site.

Overall results of the division have met expectations, with Moltoni Adams Group Pty Limited achieving management forecasts for the period under review. The nature of this contracting division is such that the contracts are usually for periods from between one and three years. There is a pipeline of new potential contracts which are under review.

The division in the next twelve months is looking to consolidate its market position by securing a number of contracts that are currently under tender.

Scrap Metal Trading

The scrap metal trading division operates in a highly competitive environment. Materials are sourced from the demolition and remediation contract services division as well as from other suppliers. A significant portion of the sales are exports to Asia.

Financial Position

The net assets of the economic entity at 30 June 2005 were $27.7m and are made up of the assets acquired from its wholly owned subsidiaries on 31 March 2005 plus the profits after tax derived during the period from 10 March 2005 to 30 June 2005. The parent entity issued 102,000,000 shares to the previous owners of the wholly owned subsidiaries, and 4,000,000 shares to staff and contractors who have supported and helped the businesses to grow. This provided a strong balance sheet at 31 March 2005 with $24m of net assets.

The directors believe the group is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial period:

1. The parent entity was incorporated on 10 March 2005 with an issued capital of $4.
2. On 31 March 2005 the parent entity issued 102,000,000 shares to the vendors of the parent company's now wholly owned subsidiaries in exchange for all the issued capital of those wholly owned subsidiaries.
3. On 1 June 2005 the company issued 4,000,000 ordinary shares for nil consideration to staff and contractors of the wholly owned subsidiaries. Under A-IFRS this share issue has been assessed to be valued at $705,000.
4. Subsequent to 30 June 2005, on 7 July 2005 the company issued 22,500,000 shares under the Prospectus dated 3 June 2005. The shares were issued at $0.40c thereby raising an amount, before capital raising costs, of $9.0m.
5. The economic entity earned after tax profits of $3,005,895 as measured under A-IFRS.

Changes in controlled entities and divisions:

On 31 March 2005 the parent entity acquired the issued capital of its now wholly owned subsidiary entities. With these acquisitions the economic entity secured its demolition and Remediation Contract Services division and its scrap metal trading division.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of A-IFRS, the company's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to A-IFRS is included in Note 2 to this Report.

After Balance Date Events

On 3 June 2005 the parent entity issued a Prospectus for the offer of 22,500,000 shares at $0.40 cents each. The directors resolved to close the offer on 1 July 2005 as the offer was fully subscribed.

The parent entity issued 22,500,000 shares pursuant to the Prospectus on 7 July 2005, and was admitted to the ASX on 8 July 2005. Following the issue of these shares the parent entity had 128,500,004 shares on issue. Trading in these shares commenced on the ASX on 12 July 2005.

Part of the proceeds of the Initial Public Offering was used to repay working capital loans provided by three of the major shareholders.

Following the listing of the parent entity shares, the economic entity secured revised financing arrangements with its bankers. The new facilities reflect a consolidation of arrangements previously held with four banking groups and provide the group with appropriate and competitive arrangements going forward.

Future Developments, Prospects and Business Strategies

To further improve the economic entity's profit and maximise shareholder wealth, the following developments are under review to be implemented in the coming financial year:

1. Build a national presence in key mining and heavy industrial markets.
2. Expand the group's service offerings into other synergistic sectors such as marine services, salvage and cleanup sector.
3. Leverage the group's product availability from the groups demolition projects around Australia to establish long-term, profitable relationships with key customers in Australia and overseas.
4. Selective strategic acquisitions that create value for shareholders.

These developments, together with the current strategy of continuous improvement to systems and procedures and strict adherence to quality and safety control in existing markets, are expected to deliver the group's long-term goals and development of new business opportunities.

Environmental Issues

The economic entity's operations are subject to significant environmental regulation under the law of the Commonwealth and States. Details of the economic entity's performance in relation to environmental regulation are as follows:

- During the period, the group vacated premises at St Mary's in NSW due to the non-suitability of the premises for continuing operations as a scrap metal yard. Upon vacating the premises the group completed the clean up of the site in line with Council requirements.
- The group is currently in the final stages of acquiring all the necessary permits and approvals to operate a scrap metal yard at Villawood.

Information On Directors

Peter Hatfull	—	Chairman (Non-executive)
Qualifications and Experience	—	Peter qualified as a Chartered Accountant in England and has over 26 years experience in finance and commerce. After gaining several years post qualification experience at Coopers & Lybrand (now PricewaterhouseCoopers), Peter moved to Malawi in central Africa. Whilst in Malawi, Peter moved into commerce, and became the senior financial officer for the country's largest importer and exporter. Peter came to Australia in 1988 and has held a number of financial directorships and senior financial positions in a variety of industries. Peter has managed the listing of several companies and is experienced in corporate governance and stock exchange regulations. Peter is also employed by Moltoni Corporation Pty Limited, a major shareholder of CMA Corporation Limited
Interest in Shares and Options	—	600,000 Ordinary Shares in CMA Corporation Limited.
Special Responsibilities	—	Peter Hatfull is a Member of the Audit Committee, Chairman of the Nomination Committee and a member of the Remuneration Committee
Paul Adams	—	Managing Director

Qualifications and Experience	—	Paul qualified as a cartographer and topographic surveyor during his six years military service in the Royal Australian Survey Corps. Paul has expertise at all levels of demolition work. Since 1981, Paul's demolition work has included high rise, industrial complexes, bridge and marine demolition and major excavation and remedial works. Paul is also a director of a company which holds shares in CMA Corporation Limited.
Interest in Shares and Options	—	1 Ordinary Share of CMA Corporation Limited.
	—	25,500,000 Ordinary Shares of CMA Corporation Limited held in the name of Asia Pacific Shipping Pty Limited.
Special Responsibilities	—	Paul Adams is a Member of the Nomination Committee and the Remuneration Committee.
Kevin Adams	—	Director — Executive
Qualifications and Experience	—	Kevin has over 30 years experience in all types of demolition in Victoria, New South Wales, Western Australia and Tasmania. Kevin holds a 1st Class, Demolition Supervisor (Unrestricted) qualification from WorkCover, NSW and is a past Vice President of the Demolition Contractors Association of Victoria. Kevin is a director of a company which indirectly holds shares in CMA Corporation Limited.
Interest in Shares and Options	—	25,500,000 Ordinary Shares of CMA Corporation Limited held in the name of Asia Pacific Shipping Pty Limited.
Special Responsibilities	—	Kevin Adams is the General Manager of the Demolition and Remediation Contract Services Division.
Johnny Tung Hui Chung	—	Director — Executive
Qualifications and Experience	—	Johnny was a founding shareholder of T & T Metal Group, has over 30 years experience in the recycling industry and holds a Bachelor of Arts (Business Administration) degree. Johnny had eight years experience in the ship breaking industry in Taiwan and the Philippines before moving to Australia, where he has spent over twenty years involved in the sourcing, purchasing and trading of ferrous and non-ferrous scrap metal to South East and North East Asia. Johnny has extensive experience in the logistics associated with, and the shipping of, bulk goods, and has an extensive network of clients and contacts in the steel scrap metal industry in Asia.
Interest in Shares and Options	—	25,500,001 Ordinary Shares of CMA Corporation Limited.
Special Responsibilities	—	Johnny Chung is the General Manager of the Scrap Metal Trading Division.
Joseph Tong Hong Chung	—	Director — Executive

Qualifications and Experience	—	Joseph Chung was a founding shareholder of T & T Metal Group, has over 20 years experience in the demolition and recycling industry and holds a Bachelor of Arts degree. Joseph is an expert in project management and has managed a number of high value contracts with Australia's leading companies. Joseph also has a number of years' experience in exporting scrap metal from major ports in Australia to clients in South East and North East Asia.
Interest in Shares and Options	—	25,500,001 Ordinary Shares of CMA Corporation Limited.
Special Responsibilities	—	Joseph Chung is the Operations Manager of the Scrap Metal Trading Division.

Alan Good	—	Director – Independent Non Executive
Qualifications and Experience	—	Alan Good is a qualified Chartered Accountant and was a Partner at PricewaterhouseCoopers (PwC) for 23 years until his retirement from the practice in 2003. From 1995 to 2002, he was Managing Partner of PwC in Perth. His main areas of practice were corporate finance and assurance.
Interest in Shares and Options	—	Nil
Special Responsibilities	—	Alan Good is the Chairman of the Audit Committee, Member of the Nomination Committee and Chairman of the Remuneration Committee.
Directorships held in other listed entities	—	Alan Good is a Director of Straits Resources Limited (appointed 7 July 2005). He is also Chairman of Perth Diocesan Trustees and Treasurer of the Malcolm Sergeant Cancer Fund for Children and the Women and Infant Research Foundation.

Rob Moltoni	—	Director – Non Executive
Qualifications and Experience	—	Robert was a previous Managing Director of Moltoni Adams Pty Limited. Since 1975, Robert has established and managed a substantial group of companies involved in demolition, construction, waste management, land remediation and farming. Robert recently won the WA Ernst & Young Entrepreneur of the Year award. Robert is a director of Moltoni Corporation Pty Limited, a major shareholder in CMA Corporation Limited.
Interest in Shares and Options	—	25,500,001 Ordinary Shares of CMA Corporation Limited
Special Responsibilities	—	Rob Moltoni is a Member of the Audit Committee and a Member of the Remuneration Committee

Remuneration Report

This report details the nature and amount of remuneration for each director of CMA Corporation Limited and for the executives receiving the highest remuneration.

Remuneration Policy

CMA Corporation Limited is a new entity and is in the process of integrating, formalising and making contemporary, the Remuneration Policies of the acquired controlled entities.

The remuneration for key executives of the economic entity was set by the Board prior to the acquisition of the controlled entities.

The Board has now appointed a Remuneration Committee consisting of Alan Good (Chairman), Peter Hatfull and Rob Moltoni. Mr Larry Mitchell is Secretary of the Committee.

This committee met for the first time on 23 August 2005 to review the processes in place for the economic entity remuneration year commencing on 1 October 2005.

The committee intends to investigate the implementation of an employee share option plan to provide an employee incentive scheme for performance enhancement.

The Board's current policy for determining the nature and amount of remuneration for Board members and senior executives of the economic entity is as follows:

The initial remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board after seeking professional advice from independent external consultants.

All executives receive a base salary (which is based on factors such as qualifications and experience relating to their specific roles) and superannuation. The remuneration committee will review the current policy and executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of executives is to be measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the economic entity's profits and shareholders' value. All bonuses and incentives will be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives will also be entitled to participate in the employee share and option arrangements if the members approve such a scheme.

The executive directors and executives receive a superannuation guarantee contribution required by law, which is currently 9%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Remuneration Committee will determine payments to the non-executive directors and review their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. In the Prospectus dated 3 June 2005, this amount was advised to be $400,000.

Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company.

Performance Based Remuneration

The current remuneration policy of the economic entity does not include any element of performance based remuneration.

It is the intention of the Remuneration Committee that a part of each executive director and executive remuneration package will be performance-based, and be measured against key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between directors/executives and that of the business and shareholders. The KPIs will be set annually, with a significant level of consultation with directors/executives to ensure agreement. The measures will be specifically tailored to the areas each director/executive is involved in and has a level of control over. The KPIs will target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI will be based on budgeted figures for the group and respective industry standards.

Performance in relation to the financial KPIs is to be assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs will be reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a financial KPI has been achieved, the Remuneration Committee CMA Corporation Limited will base the assessment on audited figures.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Remuneration Policy is being developed to increase goal congruence between shareholders and directors and executives. Two methods will be applied in achieving this aim. The first is performance bonus based on key performance indicators, and the second is the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests (subject to shareholder approval). The company believes this policy will be effective in increasing shareholder wealth in the coming years.

Details of Remuneration for Period Ended 30 June 2005

The remuneration for each director and each of the two executive officers of the consolidated entity receiving the highest remuneration during the period from 10 March 2005 to 30 June 2005 was as follows:

	Salaries	Superannuation Contribution	Cash Bonus	Non-cash Benefits	Shares	Total
	$	$	$	$	$	$
Directors						
Peter Hatfull	-	-	-	-	105,750	105,750
Paul Adams	36,298	32,552	-	-	-	68,850
Kevin Adams	30,750	36,450	-	-	-	67,200
Johnny Tung Hui Chung	63,730	18,750	-	-	-	82,480
Joseph Tong Hong Chung	66,386	18,594	-	-	-	84,980
Alan Good	-	-	-	-	-	-
Rob Moltoni	-	-	-	-	-	-
	197,164	106,346	-	-	105,750	409,260
Specified Executives						
Patrick Raper	42,230	19,701	-	-	-	61,931
Larry Mitchell	56,650	8,751	-	-	44,063	109,464
	98,880	28,452	-	-	44,063	171,395

Former directors Phillip A Hourigan, Paul Paxton-Hall and Mark Dillman were directors for one day only and did not receive any remuneration for that period.

Performance Income as a Proportion of Total Remuneration

Executive directors and executives were not paid any performance based bonuses by the economic entity during the period.

Options Issued as Part of Remuneration for the Period Ended 30 June 2005

No Options were issued to directors and executives as part of their remuneration by the economic entity during the period.

Employment Contracts of Directors and Senior Executives

The employment conditions of the Managing Director, the executive directors and specified executives are formalised in contracts of employment.

CMA Corporation Limited has the following key employees:

- Paul Adams, Managing Director;
- Kevin Adams, General Manager – Demolition and Remediation Services;
- Johnny Chung, General Manager – Scrap Metal Trading;
- Patrick Raper, Chief Financial Officer and Company Secretary;
- Larry Mitchell, General Manager – Corporate Services.

The key employees (except the Managing Director):

- have no entitlement to annual bonus payments and have standard leave entitlements;
- may terminate their employment or have their employment terminated by CMA Corporation Limited, by giving appropriate notice;
- each receive total remuneration of $261,600 per annum;
- are not entitled to participate in any employee share option plan;
- except for Mr Raper and Mr Mitchell, are subject to restrictive covenants during their employment and for a period of up to 12 months following termination of their employment, in New South Wales.

For these key employees, either party may terminate the employment by giving one months notice, and CMA Corporation Limited may also terminate by paying one month's pay in lieu of notice. Rights of summary dismissal are preserved.

Managing Director:

- has no entitlement to annual bonus payments and has standard leave entitlements;
- is employed for a fixed term of 2 years (with a further option period of 1 year) and either CMA Corporation Limited or Mr Adams may terminate the employment by giving appropriate notice;
- receives total remuneration of $327,000;
- is not entitled to participate in any employee share option plan; and
- is subject to restrictive covenants during his employment , for a period of up to 12 months following termination of his employment in New South Wales.

Either party can terminate this employment by giving 6 months notice, and CMA Corporation Limited may also terminate by giving 6 months pay in lieu of notice. Rights of summary dismissal are preserved.

Meetings of Directors

During the financial period, eight meetings of directors were held. Attendances by each director during the period were as follows:

Director	Directors' Meetings Eligible to attend	Directors' Meetings Attended	Audit Committee Meetings Eligible to attend	Audit Committee Meetings attended
Peter Hatfull	8	8	2	2
Paul Adams	8	8		
Kevin Adams	8	8		
Johnny Tung Hui Chung	8	8		
Joseph Tong Hong Chung	8	8		
Alan Good	2	2	2	2
Rob Moltoni	8	6	2	1

Director	Remuneration Committee Meetings Eligible to attend	Remuneration Committee Meetings attended	Nomination Committee Meetings Eligible to attend	Nomination Committee Meetings attended
Peter Hatfull	1	1	1	1
Paul Adams	1	1	1	1
Kevin Adams				
Johnny Tung Hui Chung				
Joseph Tong Hong Chung				
Alan Good	1	1	1	1
Rob Moltoni				

Shareholdings of Directors and Specified Executives

Number of Shares Held by Parent Entity Directors and Specified Executives

	Balance at start of reporting period	Received as Remuneration	Net Change Other*	Balance 30.6.2005
Parent Entity Directors				
Peter Hatfull	-	600,000	-	600,000
Paul Adams *(i)	-	-	1	1
Kevin Adams	-	-	-	-
Paul Adams and Kevin Adams *(i)(iii)	-	-	25,500,000	25,500,000
Johnny Tung Hui Chung (i)	-	-	25,500,001	25,500,001
Joseph Tong Hong Chung (i)	-	-	25,500,001	25,500,001
Alan Good	-	-	-	-
Rob Moltoni (i)	-	-	25,500,001	25,500,001

Specified Executives				
Patrick Raper *(ii)	-	-	20,000	20,000
Larry Mitchell	-	250,000		250,000
Total	-	850,000	102,020,004	102,870,004

* (i) Refers to the initial shares of the company and shares issued as consideration for the issued equity in CMA Corporation Limited subsidiaries.

* (ii) Refers to shares purchased in the Initial Public Offering (IPO). These shares were issued on 7 July, 2005, and were not part of the shares on issue at 30 June, 2005.

*(iii) Held in the name of Asia Pacific Shipping Pty Limited

Indemnifying Officers or Auditor

During or since the end of the financial period the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was $45,558 in total.

Peter Hatfull
Paul Adams
Kevin Adams
Johnny Tung Hui Chung
Joseph Tong Hong Chung
Alan Good
Rob Moltoni

Share Issues

During the period ended 30 June 2005 and on 7 July 2005, the following ordinary shares of CMA Corporation Limited were issued. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Issue Date	Issue Price	Number of Shares Issued
10 March 2005	$1.00	4
31 March 2005	$0.235	102,000,000
1 June 2005	$0.176	4,000,000
7 July 2005	$.40	22,500,000

No person to whom shares were issued has any right by virtue of the issue to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- PKF Sydney did not provide non-audit services during the period.

  PKF Perth provided Corporate Advisory services in relation to the IPO.

  There is no legal relationship between PKF Sydney and PKF Perth.
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Auditor's Independence Declaration

The lead auditor's independence declaration for the period ended 30 June 2005 has been received and can be found at the end of the Directors' Report.

Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Paul Adams

Managing Director

Dated this 31st August 2005

AUDITOR'S INDEPENDENCE DECLARATION

A Member Firm of PKF International

PKF
Chartered Accountants
& Business Advisers

NSW Partnership
ABN 83 236 985 726

Level 10, 1 Margaret Street
Sydney NSW 2000

DX 10173 Sydney Stock Exchange NSV

Tel: 61 2 9251 4100
Fax: 61 2 9240 9821

www.pkf.com.au

Lead auditor's independence declaration
Under section 307C of the Corporations Act 2001

To the Directors of CMA Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2005, there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF
Chartered Accountants & Business Advisers

Arthur Milner
Partner

Sydney
31 August 2005

CMA CORPORATION LIMITED - ABN 40 113 329 016
and Controlled Entities

INCOME STATEMENT FOR THE PERIOD FROM 10 MARCH 2005 TO 30 JUNE 2005

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
Revenue	**3**	21,157	816
Other income	**3**	38	-
Changes in inventories of finished goods and work in progress		929	-
Raw materials and consumables used		(12,160)	-
Employee benefits expense		(4,123)	(436)
Depreciation and amortisation expense		(629)	(32)
Other expenses		(430)	(320)
Finance costs		(203)	(36)
Profit before income tax	**4**	4,579	(8)
Income tax expense	**5**	1,573	(8)
Profit for the period		3,006	-
Profit attributable to members of the parent entity	**2**	3,006	-
Overall Operations			
Basic earnings per share (cents per share)	**8**	3.6	
Diluted earnings per share (cents per share)	**8**	3.6	

The accompanying notes form part of these financial statements

BALANCE SHEET AS AT 30 JUNE 2005

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**9**	2,188	1,508
Trade and other receivables	**10**	11,112	3,860
Inventories	**11**	10,152	-
Other assets	**16**	225	12
TOTAL CURRENT ASSETS		23,677	5,380
NON-CURRENT ASSETS			
Financial assets	**12**	-	24,321
Property, plant and equipment	**14**	13,827	2,496
Deferred tax assets	**19**	151	15
Intangible assets	**15**	16,469	-
TOTAL NON-CURRENT ASSETS		30,447	26,832
TOTAL ASSETS		54,124	32,212
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**17**	8,394	2,986
Short-term borrowings	**18**	6,668	229
Current tax liabilities	**19**	1,917	-
Short-term provisions	**20**	349	19
TOTAL CURRENT LIABILITIES		17,328	3,234
NON-CURRENT LIABILITIES			
Long-term borrowings	**18**	8,299	4,266
Deferred tax liabilities	**19**	768	7
Other long-term provisions	**20**	18	-
TOTAL NON-CURRENT LIABILITIES		9,085	4,273
TOTAL LIABILITIES		26,413	7,507
NET ASSETS		27,711	24,705
EQUITY			
Issued capital	**21**	24,705	24,705
Retained earnings		3,006	-
Parent interest		27,711	24,705
TOTAL EQUITY		27,711	24,705

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 10 MARCH 2005 TO 30 JUNE 2005

	Note	Ordinary Share Capital 2005 $000	Retained Earnings 2005 $000	Total $000
Economic Entity				
Balance at beginning of the reporting period				
Shares issued during the period	**21**	24,705		24,705
Profit attributable to members of parent entity			3,006	3,006
Balance at 30 June 2005		24,705	3,006	27,711
Parent Entity				
Balance at beginning of the reporting period				
Shares issued during the period	**21**	24,705		24,705
Profit attributable to members of parent entity			-	-
Balance at 30 June 2005		24,705	-	24,705

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT FOR THE PERIOD FROM 10 MARCH 2005 TO 30 JUNE 2005

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		26,318	-
Payments to suppliers and employees		(26,164)	(1,234)
Interest received		19	-
Finance costs		(203)	(36)
Income tax paid		(374)	-
Net cash provided by (used in) operating activities	25	(404)	(1,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		183	-
Purchase of property, plant and equipment		(974)	(28)
Outlays in respect of acquisition of subsidiaries		(321)	(321)
Net cash provided by (used in) operating activities		(1,112)	(349)
CASH FLOWS FROM FINANCING ACTIVITIES			
Outlays in respect of share issue		(376)	(376)
Proceeds from borrowings		2,392	3,508
Repayment of borrowings		(1,622)	(54)
Net cash provided by (used in) financing activities		394	3,078
Net increase (decrease) in cash held		(1,122)	1,459
Cash acquired with subsidiary purchases		2,673	-
Cash at end of financial period	9	1,551	1,459

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the economic entity of CMA Corporation Limited and controlled entities, and CMA Corporation Limited as an individual parent entity. CMA Corporation Limited became a listed public company on 8 July, 2005, and is incorporated and domiciled in Australia.

The financial report of CMA Corporation Limited and controlled entities, and CMA Corporation Limited as an individual parent entity comply with all Australian Equivalents to International Financial Reporting Standards (A-IFRS) in their entirety.

The operations of the economic entity are described in Note 24 to the financial statements.

The financial report of CMA Corporation Limited and controlled entities, and CMA Corporation Limited as an individual entity, have been prepared in Australian Dollars.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

CMA Corporation Limited and its controlled entities and CMA Corporation Limited as an individual parent entity have prepared these financial statements in accordance with the Australian Equivalents to International Financial Reporting Standards (A-IFRS) from incorporation on 10 March 2005.

This is the first set of financial statements of CMA Corporation Limited.

Reconciliations of the transition from financial statements prepared under previous Australian General Accepted Accounting Principles to A-IFRS have been included in Note 2 to these financial statements.

Reporting Basis and Conventions

The financial statements have been prepared on an accruals basis and are based on historical costs, modified when applicable by the revaluation of selected non current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Principles of Consolidation

CMA Corporation Limited was incorporated on 10 March 2005 and acquired 100% of the issued equity of each of its controlled entities on 31 March 2005. The operating results for the controlled entities have been included from 31 March 2005, which is the date that control was obtained.

A controlled entity is any entity controlled by CMA Corporation Limited. Control exists where CMA Corporation Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of that entity so that the other entity operates with CMA Corporation Limited to achieve the objectives of CMA Corporation Limited. A list of the CMA Corporation Limited controlled entities is contained in Note 13 to the financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

b. Income Tax

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

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

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

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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

CMA Corporation Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under the Tax Consolidation System.

c. Inventories

Inventories are valued at the lower of cost and net realisable value.

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

d. Revenue Recognition

Revenue is stated net of the amount of Goods and Services Tax (GST).

Demolition and Remediation Contracts and Work in Progress

Revenue from demolition and remediation contract services is recognised by reference to the stage of completion.

Consideration received for the performance of certain demolition, remediation or other contract services may consist of cash, scrap metal and other intact items, and acquisition of the land where the services are being performed. The value of the land component recognised as revenue is determined by independent valuation. The value of the scrap metal component recognised as revenue is determined by reference to the wholesale price for scrap metal less a discount. Total consideration is not recognised until the services are complete and all other conditions of the agreement have been satisfied.

Stage of completion is measured by reference to actual work completed to date as a percentage of total work for each contract.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue is recognised as the interest accrues.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

e. Expenditure

Expenditure is brought to account on an accruals basis.

f. Trade debtors

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.

g. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses except as noted below.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. When the parent entity acquired the assets of its wholly - owned subsidiaries on 31 March 2005, all Property Plant and Equipment was assessed by an independent expert and the value taken into the accounts accordingly.

Depreciation

Depreciation is calculated on a reducing balance basis to write off the net cost/value of each item of plant and equipment over its expected useful life to the economic entity.

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. Leasehold improvements are depreciated on a straight-line basis over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5%-20%
Plant and equipment	10%-33%
Leased plant	5%

h. Leases

Finance Leases

Leases of fixes assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to entities in the economic entity, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the value of the minimum lease payments, including and guaranteed residual values. Leased assets are depreciated over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease expense for the period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Operating Leases

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

i. **Financial Instruments**

Recognition

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Financial liabilities

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

Derivative instruments

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

j. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

k Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of a past transaction or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

l. Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. These liabilities are normally settled on 30 day terms.

m. Contributed Equity

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

n. Comparative Figures

There are no comparative figures because the economic entity came into existence on 10 March, 2005, which is less than 12 months before the reporting date.

o. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

p. Change in Accounting Policy

This is the first reporting period for CMA Corporation Limited and its controlled entities

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill for the period ended 30 June 2005.

Note 2: First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Economic Entity

The company was incorporated on 10 March 2005 and as such adopted Australian Equivalents to International Financial Reporting Standards (A-IFRS). The Prospectus issued on 3 June 2005 was prepared under Australian Generally Accepted Accounting Principles (A-GAAP).

Reconciliation of Equity at 30 June 2005	Note	A-GAAP at 30 June 2005 $000	Adjustments on the introduction of A-IFRS $000	A-IFRS at 30 June 2005 $000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		2,188		2,188
Trade and other receivables		11,112		11,112
Inventories		10,152		10,152
Other current assets		225		225
TOTAL CURRENT ASSETS		23,677		23,677
NON-CURRENT ASSETS				
Property, plant and equipment		13,827		13,827
Deferred tax assets		151		151
Intangible assets	**2(a)**	15,510	959	16,469
TOTAL NON-CURRENT ASSETS		29,488	959	30,447
TOTAL ASSETS		53,165	959	54,124
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		8,394		8,394
Short-term borrowings		6,668		6,668
Current tax liabilities		1,917		1,917
Short-term provisions		349		349
TOTAL CURRENT LIABILITIES		17,328		17,328
NON-CURRENT LIABILITIES				
Long-term borrowings		8,299		8,299
Deferred tax liabilities	**2(b)**	7	761	768
Long-term provisions		18		18
TOTAL NON-CURRENT LIABILITIES		8,324	761	9,085
TOTAL LIABILITIES		25,652	761	26,413
NET ASSETS		27,513	198	27,711
EQUITY				
Issued capital	**2(d)**	24,000	705	24,705
Retained earnings	**2(e)**	3,513	(507)	3,006

Note 2: First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Economic Entity

The company was incorporated on 10 March 2005 and as such adopted Australian Equivalents to International Financial Reporting Standards (A-IFRS). The Prospectus issued on 3 June 2005 was prepared under Australian Generally Accepted Accounting Principles (A-GAAP).

Reconciliation of Equity at 30 June 2005	**Note**	**A-GAAP at 30 June 2005 $000**	**Adjustments on the introduction of A-IFRS $000**	**A-IFRS at 30 June 2005 $000**
Parent interest		27,513	198	27,711
TOTAL EQUITY		27,513	198	27,711
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		1,508		1,508
Trade and other receivables	**2(f)**	3,261	599	3,860
Other financial assets		12		12
TOTAL CURRENT ASSETS		4,781	599	5,380
NON-CURRENT ASSETS				
Other financial assets		24,321		24,321
Property, plant and equipment		2,496		2,496
Deferred tax assets		15		15
Other non-current assets		-		-
TOTAL NON-CURRENT ASSETS		26,832		26,832
TOTAL ASSETS		31,613	599	32,212
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables		2,986		2,986
Short-term borrowings		229		229
Current tax liabilities		-		-
Short-term provisions		19		19
TOTAL CURRENT LIABILITIES		3,234		3,234
NON-CURRENT LIABILITIES				
Long-term borrowings		4,266		4,266
Deferred tax liabilities		7		7
TOTAL NON-CURRENT LIABILITIES		4,273		4,273
TOTAL LIABILITIES		7,507		7,507
NET ASSETS		24,106	599	24,705

Reconciliation of Profit or Loss for 2005	**Note**	**A-GAAP at 30 June 2005 $000**	**Adjustments on introduction of A-IFRS $000**	**A-IFRS at 30 June 2005 $000**
EQUITY				
Issued capital	**2(d)**	24,000	705	24,705
Retained earnings	**2(e)**	106	(106)	-
TOTAL EQUITY		24,106	599	24,705
Economic Entity				
Revenues from ordinary activities	**2(g)**	21,340	(183)	21,157
Other revenue	**2(g)**	-	38	38
Changes in inventories of finished goods and work in progress		929		929
Raw materials and consumables used		(12,160)		(12,160)
Employee benefits expense	**2(c)**	(3,418)	(705)	(4,123)
Depreciation and amortisation expense	**2(h)**	(827)	198	(629)
Borrowing costs expense		(203)		(203)
Other expenses from ordinary activities	**2(g)**	(575)	145	(430)
Profit from ordinary activities		5,086	(507)	4,579
Income tax expense relating to ordinary activities		(1,573)		(1,573)
Profit from ordinary activities before income tax expense		3,513	(507)	3,006
Profit for the period		3,513	(507)	3,006
Profit attributable to members of the parent entity		3,513	(507)	3,006
Revenues from ordinary activities		816		816
Employee benefits expense	**2(c)**	(330)	(106)	(436)
Depreciation and amortisation expense		(32)		(32)
Borrowing costs expense		(36)		(36)
Other expenses from ordinary activities		(320)		(320)
Profit from ordinary activities before income tax expense		98	(106)	(8)
Income tax expense relating to ordinary activities		(8)		(8)
Profit from ordinary activities after related income tax expense		106	(106)	-
Profit attributable to members of the parent entity		106	(106)	-

Note 2: First-time Adoption of Australian Equivalents to International Financial Reporting Standards - cont'd

Notes to the reconciliations of equity and profit and loss at 30 June 2005

		Economic Entity 2005 $000	Parent Entity 2005 $000
(a)	Intangible adjustments		
	Goodwill amortisation that would have been taken up under A-GAAP.	198	-
	Deferred tax on revaluation of non-current assets has been charged to Goodwill on consolidation under A-IFRS	761	-
		959	-
(b)	Deferred tax		
	Revaluation of non-current assets	761	-
(c)	Employee benefits		
	Issue of shares to employees	705	106
(d)	Issued capital		
	Issue of shares to employees	705	705
(e)	Adjustments to Retained earnings comprise:		
	Issue of shares to employees	(705)	(106)
	Goodwill amortisation that would have been taken up under A-GAAP.	198	-
		(507)	(106)
(f)	Trade and other receivables		
	Due from subsidiaries for shares issued to employees	-	599
(g)	Reclassifications have been made to the income statement for the period ended 30 June 2005. Under A-IFRS, the sale of non-current assets must be reflected as a gain or loss on sale and not separately split between proceeds and costs of disposal.		
(h)	Goodwill amortisation that would have been taken up under A-GAAP.	198	-

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
Note 3: Revenue			
Operating activities			
— sale of goods and services		8,390	816
— contract revenue		12,731	-
— interest received	**3(a)**	19	-
— other revenue		17	-
Total Revenue		21,157	816
Non-operating activities			
— gain on disposal of property, plant and equipment		38	-
Other Income		38	-
(a) Interest revenue from:			
— other persons		19	-
Total interest revenue		19	-

Note 4: Profit from Ordinary Activities

(a) Expenses			
Cost of sales		11,231	-
Finance costs:			
— external		165	17
— related parties		38	19
Total finance costs		203	36

(b) **Significant Revenue and Expenses**

The only significant revenue and expense items relevant in explaining the financial performance are project revenues and expenses in the normal course of business already detailed above.

(c) **Auditors Remuneration**

Remuneration of the auditor of the parent entity for auditing the financial report		45	22

Note 4: Profit from Ordinary Activities

		Note	Economic Entity	Parent Entity
Note 5: Income Tax Expense			**2005 $000**	**2005 $000**
(a)	The components of tax expense comprise:			
	Current tax		1,629	-
	Deferred tax	**19**	(56)	(8)
			1,573	(8)
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
	Prima facie tax payable on profit from ordinary activities before income tax at 30%		1,374	(2)
	Add:			
	Tax effect of:			
	— non-allowable items		238	32
	Less:			
	Tax effect of:			
	— Legislated deductions in respect of capitalised expenditure		(38)	(38)
	— Overprovision of income tax in subsidiary before acquisition		(1)	-
	Income tax attributable to parent entity		1,573	(8)
	The applicable weighted average effective tax rates are as follows:		34%	0%

Note 6: Directors' and Executives' Remuneration

Directors and Executives.

Details of directors' and executives' remuneration are included in the Directors' Report.

Note 7: Dividends

Balance of franking account at period end adjusted for franking credits arising from		
— Payments of income tax by subsidiaries acquired	643	-

Economic Entity

		2005 $000
Note 8: Earnings Per Share		
a.	**Reconciliation of earnings to net profit or loss**	
	Earnings used in the calculation of basic EPS – Net profit after tax	3,006
b.	**Weighted average number of ordinary shares on issue during the period used in calculation of basic EPS - Note 8 d**	83,203,544

c. Classification of shares

All shares on issue at 30 June 2005 are classified as ordinary shares.

d. Issues of Shares

The following shares were issued by the Company during the period:

o Initial Shares issued on Incorporation of the Company on 10 March 2005	4
o Shares issued on acquisition of controlled entities on 31 March 2005	102,000,000
o Shares issued to staff and contractors on 1 June 2005	4,000,000
Total shares on issue at 30 June 2005	106,000,004
Shares issued on 7 July 2005 under Prospectus dated 3 June 2005	22,500,000
Total shares on issue at date of this report	128,500,004
Weighted average number of ordinary shares on issue during the period	83,203,544

e. Earnings per share compared to Prospectus

All shares on issue at the date of this report rank equally for entitlements to dividends irrespective of the period when the profits were earned compared to when the shares were issued.

The earnings amount used in the calculation has been determined as $4,049k for the period from 1 July 2004 to 31 March 2005 (as per the Prospectus) plus $3,006k for the period 31 March 2005 to 30 June 2005, totalling $7,055k for the pro forma full year.

On this basis earnings per share is therefore 5.49 cents calculated as $7,055k divided 128,500,004. This is consistent with the Prospectus methodology.

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
Note 9: Cash Assets			
Cash at bank and in hand		2,188	1,508
Reconciliation of cash			
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		2,188	1,508
Bank overdrafts	**18**	(637)	(49)
		1,551	1,459
Note 10: Receivables			
CURRENT			
Trade debtors		9,791	-
Provision for doubtful debts		(60)	-
		9,731	-
Other debtors		1,381	1,144
Amounts receivable from:			
— wholly-owned subsidiaries		-	2,716
		11,112	3,860
Note 11: Inventories			
CURRENT			
At cost			
Work in progress - demolition and remediation contract services	**10**	7,983	-
Scrap Metal		2,169	
		10,152	-

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
(a) **Demolition and Remediation Contracts Work in Progress**			
Contract costs incurred		8,776	-
Recognised profits		3,955	-
		12,731	-
Progress billings		4,748	-
		7,983	-
Amounts due from customers for contract work		7,983	-
Amounts due to customers for contract work		-	-
	11	7,983	-
Retentions on construction contracts in progress		289	-
Progress billings and advances received and receivable on construction contracts in progress		750	-

Note 12: Other Financial Assets

	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
NON-CURRENT			
Unlisted investments, at cost			
— shares in controlled entities	**13**	-	24,321
		-	24,321

Note 13: Controlled Entities

a. Controlled Entities

	Country of Incorporation	Percentage Owned
Parent Entity:		
CMA Corporation Limited	Australia	-

Note 13: Controlled Entities

Subsidiaries of CMA Corporation Limited are :

Moltoni Adams Group Pty Limited	Australia	100%
T & T Metal Trading Pty Limited	Australia	100%
T & T Metal & Asbestos Services Pty Limited	Australia	100%
Asia Pacific Metals Pty Limited	Australia	100%
Asia Pacific Metals Unit Trust	Australia	100%

b. Controlled Entities Acquired

On 31 March 2005, the parent entity acquired all the issued equity of T&T Metal Trading Pty Limited, T&T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited. The details of the acquisition are set out in the CMA Corporation Limited Prospectus dated 3 June 2005. The current demolition and remediation contracting business and the scrap metal trading business of CMA Corporation Limited resulted entirely from these acquisitions. Consideration for the acquisitions consisted of 102,000,000 shares in CMA Corporation Limited which were valued, as detailed in the Prospectus, at 23.5 cents per share, which is equivalent to $24,000,000. The goodwill in the economic entity resulted entirely from these acquisitions. The operating results for the economic entity resulted entirely from these acquisitions.

Note 14: Property, Plant And Equipment	**Economic Entity 2005 $000**	**Parent Entity 2005 $000**
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	11,534	28
Accumulated depreciation	(518)	(1)
	11,016	27
Leasehold improvements		
At cost	431	-
Accumulated amortisation	(89)	-
	342	-
Leased plant and equipment		
Capitalised leased assets	2,500	2,500
Accumulated depreciation	(31)	(31)
	2,469	2,469
Total Plant and Equipment	13,827	2,496
Total Property, Plant and Equipment	13,827	2,496

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

	Plant and Equipment	Leasehold Improvements	Leased Plant and Equipment	Total
Economic Entity:				
Balance at the beginning of period	-	-	-	-
Additions through acquisition of subsidiaries	10,336	211	-	10,547
Additions	1,394	133	2,500	4,027
Disposals	(118)	-	-	(118)
Depreciation expense and losses on disposals	(596)	(2)	(31)	(629)
Carrying amount at the end of period	11,016	342	2,469	13,827
Parent Entity:				
Balance at the beginning of period				
Additions	28	-	2,500	2,528
Depreciation expense	(1)	-	(31)	(32)
Carrying amount at the end of period	27	-	2,469	2,496

Note 15: Intangible Assets	**Economic Entity 2005 $000**	**Parent Entity 2005 $000**
Goodwill		
Balance at the beginning of period	-	-
Additions – Goodwill arising on acquisition of subsidiaries	16,469	-
Disposal	-	-
Impairment losses	-	-
Carrying amount at the end of the period	16,469	-
Total intangibles	16,469	-

Impairment Disclosures

There was no impairment of Goodwill during the financial period.

		Economic Entity 2005 $000	Parent Entity 2005 $000
Note 16: Other Assets			
CURRENT			
Prepayments		225	12
Note 17: Payables			
CURRENT			
Unsecured liabilities			
Trade creditors		4,113	-
Sundry creditors and accrued expenses		4,281	2,370
Amounts payable to:			
— wholly-owned subsidiaries		-	616
		8,394	2,986
Note 18: Borrowings			
CURRENT			
Unsecured liabilities			
Bank overdrafts	**18(b)**	49	49
Lease liability	**22**	180	180
Hire purchase liabilities	**22**	2,797	-
		3,026	229
Secured liabilities			
Bank overdrafts	**18(a),18(b)**	588	-
Bank loans	**18(a),18(b)**	3,054	-
		3,642	-
		6,668	229
NON-CURRENT			
Unsecured liabilities			
Lease liability	**22**	2,266	2,266
Hire purchase liabilities	**22**	2,033	-
Loans from directors and director - related entities		4,000	2,000
		8,299	4,266

		Economic Entity 2005 $000	Parent Entity 2005 $000
(a)	**Total current and non-current secured liabilities**:		
	Bank overdraft	588	-
	Bank loans	3,054	-
		3,642	-

(b) **Security**

At 30 June 2005, the bank overdraft and the bank loans of the controlled entities were secured by registered first mortgages over certain freehold properties of directors and director-related entities, and by personal guarantees of some of the directors.

The bank overdraft of the parent entity was not secured.

In early July, agreement has been reached with the economic entity's bankers for a loan facility where security provided includes a registered equitable mortgage over all the assets of the economic entity and a cross guarantee of certain entities within the group. The facility agreement is for a two year period.

The bank requires the following financial undertakings:

1. the interest cover ratio will be not less than 4 times.
2. the minimum net worth will be not less than 30%
3. dividends will not exceed more than 60% of net profit after tax.

Note 19: Tax

		Economic Entity 2005 $000	Parent Entity 2005 $000
(a)	**Liabilities**		
	CURRENT		
	Income Tax	1,917	-
	NON- CURRENT		
	Deferred tax liability comprises:		
	Difference between written down value for tax and accounting purposes of fixed assets	761	-
	Other	7	7
	Total	768	7
(b)	**Assets**		
	Deferred tax assets comprise:		
	Provisions	130	6
	Recoverable losses	9	9
	Other	12	-
		151	15

(c)		Note	Economic Entity 2005 $000	Parent Entity 2005 $000
(i)	**Gross Movements**			
	The overall movement in the deferred tax account is as follows:			
	Opening balance		-	-
	Acquired on acquisition of subsidiaries		673	-
	(Charge) / credit to income statement	**5**	(56)	(8)
	Closing balance		617	(8)
(ii)	**Deferred Tax Liability**			
	The movement in deferred tax liability for each temporary difference during the period is as follows:			
	Revaluation adjustments			
	Temporary difference on fixed assets acquired from controlled entities		761	-
	Charged to the income statement		7	7
	At 30 June 2005		768	7
(iii)	**Deferred Tax Assets**			
	The movement in deferred tax assets for each temporary difference during the period is as follows:			
	Provisions			
	Temporary difference on Provisions acquired from controlled entities		88	-
	Credited/ (charged) to the income statement		42	6
	At 30 June 2005		130	6
	Other			
	Credited/ (charged) to the income statement		21	9
	At 30 June 2005		21	9

		Economic Entity 2005 $000	Parent Entity 2005 $000

Note 20: Provisions

Employee Entitlements

		Economic Entity 2005 $000	Parent Entity 2005 $000
Provision for employee entitlements		367	19
Balance at 30 June 2005		367	19

Analysis of Total Provisions

		Economic Entity 2005 $000	Parent Entity 2005 $000
Current		349	19
Non-current		18	-
		367	19

Provision for employee entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave.

The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 21: Issued Capital

		Economic Entity 2005 $000	Parent Entity 2005 $000
106,000,004 fully paid ordinary shares	**21a**	24,705	24,705

a. **Ordinary shares**

		Economic Entity 2005 $000	Parent Entity 2005 $000
At the beginning of the reporting period			
Shares issued during the period			
— 4 on 10 March 2005		-	-
— 102,000,000 on 31 March 2005		24,000	24,000
— 4,000,000 on 1 June 2005		705	705
Contributed Equity at 30 June 2005		24,705	24,705
Shares issued subsequent to reporting date			
— 22,500,000 on 7 July 2005		9,000	9,000

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Capital raising costs will be deducted from Issued Capital when the issued capital is brought to account.

		Economic Entity 2005 $000	Parent Entity 2005 $000

Note 22: Capital And Leasing Commitments

a. **Finance Lease and Hire Purchase Commitments**

Payable			
— not later than 1 year		3,442	368
— later than 1 year but not later than 5 years		5,047	2,830
Minimum lease payments		8,489	3,198
Less future finance charges		(1,213)	(752)
Present value of minimum lease payments	**18**	7,276	2,446

The finance lease on plant and equipment, which commenced in April 2005, is a *5* year lease with an option to refinance at the end. The equipment is being leased directly from Commonwealth Bank of Australia with lease payments paid monthly in advance.

The economic entity has a number of hire purchase agreements in place for plant and equipment used in both divisions of the economic entity.

b**. Property Lease**

The parent entity has leased premises in Sydney. The lease expires on 23 July 2007.

Rent is payable monthly in advance at the rate of $16,370 per month.

The total amount of rent payable after 30 June 2005 is $397,192.

Note 23: Contingent Liabilities And Contingent Assets

Estimates of the potential financial effect of contingent liabilities, that may become payable:

Contingent liabilities

Third party guarantees provided by the economic entity

The economic entity has provided guarantees to third parties in relation to the performance and obligations of entities in the group in respect to banking facilities, approved deeds and contracts, and property lease rentals. The guarantees are for the terms of the facilities, deeds and contracts and leases. The periods covered by the guarantees range from one to approximately three years.	3,349	87

Related party guarantees provided by the economic entity

Cross guarantees have been provided between the parent entity and T&T Metal Trading Pty Limited and T&T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited in respect to banking facilities of each entity. No deficiency of net assets existed in the controlled entities at 30 June 2005.

Note 24: Segment Reporting

Primary Reporting — Business Segments

	Scrap	Demolition	Eliminations	Economic Entity
	2005 $	2005 $	2005 $	**2005** **$**
REVENUE				
External sales	8,407	12,731		21,138
Other segments	1,357	984	(2,341)	-
Total sales revenue	9,764	13,715	(2,341)	21138
Unallocated revenue	13	6		19
Total revenue from ordinary activities	9,777	13,721	(2341)	21157
RESULT				
Segment result	799	3,955		4,754
Unallocated revenue net of unallocated expenses				28
Borrowing costs				(203)
Profit from ordinary activities before income tax expense				4,579
Income tax expense				(1,573)
Profit from ordinary activities after income tax expense				3,006
NET PROFIT				3,006

Primary Reporting — Business Segments

	Scrap 2005 $	Demolition 2005 $	Economic Entity 2005 $
ASSETS			
Segment assets	10,284	24,792	35,076
Unallocated assets			19,048
Total assets			54,124
LIABILITIES			
Segment liabilities	5,896	15,302	21,198
Unallocated liabilities			5,215
Total liabilities			26,413
OTHER			
Acquisitions of non-current segment assets	3,054	11,492	14,546
Depreciation and amortisation of segment assets	86	543	629

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings.

Intersegment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length. These transfers are eliminated on consolidation.

Business and Geographical Segments

Business Segments

The economic entity has the following two business segments:

— Demolition and Remediation Contract Services Division.

The services of this division include the following:

- o Resource and industrial plant deconstruction
- o Large scale site demolition
- o Site clearance and remediation

— Scrap Metal Trading Division.

The Scrap Metal Trading Division trades in both ferrous and non-ferrous metals, and its activities include the recovery, buying, processing, testing, analysis and selling of scrap metal in domestic and export scrap metal markets.

Geographical Segments

The economic entity's business segments are located in Australia

The Scrap Metal Trading Division exports principally to Asia. However, for reporting purposes, this is not considered to be a separate segment.

Note 25: Cash Flow Information

	Economic Entity 2005 $000	Parent Entity 2005 $000
(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit from ordinary activities after income tax	3,006	-
Non-cash flows in profit from ordinary activities		
Depreciation	629	32
Employee benefits – share issue	705	106
Net gain on disposal of property, plant and equipment	(38)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Increase/(decrease) in trade and term receivables	(464)	1,458
Increase/(decrease) in prepayments	138	12
Increase/(decrease) in inventories	6,858	-
(Increase)/decrease in trade payables and accruals	(496)	(51)
Increase/(decrease) in income taxes payable	(1,192)	8
Increase/(decrease) in deferred taxes payable	(7)	(7)
Increase/(decrease) in provisions	(131)	(12)
Cash flow from operations	(404)	1,270

(b) **Acquisition of Entities**

During the year, the parent entity acquired all the issued equity of Moltoni Adams Group Pty Limited, Asia Pacific Metals Pty Limited, T&T Metal Trading Pty Limited and T&T Metal & Asbestos Services Pty Limited.

	Economic Entity	Parent Entity
Purchase Consideration	24,000	24,000
Acquisition Costs	321	321
	24,321	24,321

Note 25: Cash Flow Information

	Economic Entity	Parent Entity
Assets and Liabilities held at acquisition date:		
Assets		
Cash	2,673	
Receivables	13,011	
Inventories	3,293	
Fixed Assets	10,547	
	29,524	
Less: Liabilities		
Payables and accruals	7,862	
Interest bearing liabilities	9,856	
Tax liabilities	1,626	
Other	2,328	
	21,672	
	7,852	
Goodwill	16,469	
	24,321	

Consideration for the acquisition was in the form of 102,000,000 shares in CMA Corporation Limited which were issued at 23.5 cents per share. The major assumption in determining the consideration payable was an earnings multiple of approximately 3 times sustainable earnings.

(c) **Non-cash Financing and Investing Activities**

		Economic Entity	Parent Entity
(i)	Share issue per Note 21		
(ii)	During the period the economic entity acquired plant and equipment by means of finance leases. These acquisitions are not reflected in the Statement of Cash Flows.	2,500	2,500

d) **Credit Standby and Loan Facility Arrangements with Banks**

At 30 June 2005 the economic entity had financing arrangements with four banks.

Subsequent to the 30 June 2005 the economic entity secured revised arrangements with the Commonwealth Bank of Australia. The facilities secured are (at the date of this report) as follows:

	Economic Entity	Parent Entity
o Equipment Finance	8,000	

Note 25: Cash Flow Information	**Economic Entity**	**Parent Entity**
o Trade Finance Facility	11,000	
o Business Card Facility	150	

At the date of this report the facilities are utilised as follows:

o Equipment Finance	5,203	
o Trade Finance Facility	6,934	
o Business Card Facility	80	

The facilities have been made available for a period of two years subject to annual review.

Security has been provided as follows:

- Joint and several unlimited guarantee from CMA Corporation Limited, T&T Metal Trading Pty Limited, T&T Metal & Asbestos Services Pty Limited, Moltoni Adams Group Pty Limited.
- Registered Equitable Mortgage over all the assets and undertakings of CMA Corporation Limited, T&T Metal Trading Pty Limited, T&T Metal & Asbestos Services Pty Limited, Moltoni Adams Group Pty Limited.
- Rights of entry over leased properties.

Interest rates are variable and subject to adjustment.

Note 26: Share-based Payments

On 1 June, 2005, 4,000,000 shares were issued to employees and contractors of subsidiaries acquired as a one - off bonus payment for services rendered. The value of these shares has been independently assessed as $705,000 or 17.62 cents per share. This amount has been included as an employee benefits expense in the Income Statement.

Note 27: Events Subsequent To Reporting Date

On 1 July 2005, the parent entity closed the IPO set out in the Prospectus dated 3 June 2005.

On 7 July 2005, the parent entity issued 22,500,000 shares at $0.40cents to raise $9,000,000 under the IPO. The costs associated with this capital raising are reflected in the Balance Sheet at 30 June 2005 in Current Assets. On 7 July, 2005, when the new shares were issued and the additional equity of $9,000,000 was recorded in the accounts, these costs were transferred to Equity as capital raising costs.

The economic entity has re-paid to interests associated with Mr Joseph Chung the working capital loan of $1,000,000.

The economic entity has re-paid to Asia Pacific Shipping Pty Limited the working capital loan of $2,000,000.

The economic entity has re-paid to interests associated with Mr Johnny Chung the working capital loan of $1,000,000.

On 19 July, 2005, the economic entity secured a new finance facility from Commonwealth Bank of Australia. The facility is for $19,150,000 and includes Trade Finance, Equipment Finance, Contingent Liability Facility and a Credit Card Facility.

On 31 August 2005, the company declared a dividend of one cent per share to be paid in October 2005.

Note 28: Related Party Transactions	**Note**	**Economic Entity**	**Parent Entity**
		2005	**2005**
		$000	**$000**
The following transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.			
Director and Director related entities			
On 31 March 2005, the parent entity issued 25,500,000 shares to Mr Johnny Tung Hui Chung. The shares were issued as full payment for all the issued equity of T&T Metal Trading Pty Limited.			
On 31 March 2005, the parent entity issued 25,500,000 shares to Mr Joseph Tong Hong Chung. The shares were issued as full payment for all the issued equity of T&T Metal & Asbestos Services Pty Limited.			
On 31 March 2005, the parent entity issued 25,500,000 shares to Moltoni Corporation Pty Limited. The shares were issued as full payment for 50% of the issued equity of Moltoni Adams Group Pty Limited.			
On 31 March 2005, the parent entity issued 25,500,000 shares to Asia Pacific Shipping Pty Limited. The shares were issued as full payment for 50% of the issued equity of Moltoni Adams Group Pty Limited. Asia Pacific Shipping Pty Ltd is a company owned by interests associated with Mr Paul Adams and Mr Kevin Adams.			
As at 30 June 2005 the economic entity was owed an amount of $1,004,368 by Moltoni Corporation Pty Limited. Mr Peter Hatfull is an employee of Moltoni Corporation Pty Limited. Mr Robert Moltoni is an employee and shareholder of Moltoni Corporation Pty Limited. This amount relates to payments for demolition services provided by Moltoni Adams Pty Limited prior to 31 March 2005. The debt has been partly paid by way of offset of amounts owing by the economic entity to Moltoni Corporation Pty Limited. The balance will be repaid by Moltoni Corporation Pty Limited as soon as Moltoni Corporation Pty Limited receives clear title to land at Geelong which it will receive as payment for demolition services provided by Moltoni Corporation Pty Limited.		1,059	
As at 30 June 2005 the economic entity owed an amount of $1,000,000 to interests associated with shareholder Mr Johnny Chung. This amount relates to working capital loans to the economic entity. The amount was re-paid subsequent to balance date. Interest of $9,462 was paid on this loan in the period from 31 March 2005 to 30 June 2005.	**27**	1,000	
As at 30 June 2005 the economic entity owed an amount of $1,000,000 to interests associated with shareholder Mr Joseph Chung. This amount relates to working capital loans to the economic entity. The amount was re-paid subsequent to balance date. Interest of $9,462 was paid on this loan in the period from 31 March 2005 to 30 June 2005	**27**	1,000	

Note 28: Related Party Transactions	Note	Economic Entity 2005 $000	Parent Entity 2005 $000
As at 30 June 2005 the economic entity owed an amount of $2,000,000 to interests associated with shareholder Mr Paul Adams. This amount relates to working capital loans provided to the economic entity. The amount was re-paid subsequent to balance date. Interest of $18,925 was paid on this loan in the period from 31 March 2005 to 30 June 2005	**27**	2,000	2,000
In April 2005 CMA Corporation Limited purchased a barge from Asia Pacific Shipping Pty Ltd. The purchase price was $2.5 million and was determined by an independent valuation.			
During the period, Asia Pacific Shipping Pty Limited paid $44,797 on behalf of the economic entity. As at 30 June 2005 the amount remained owing by the economic entity to Asia Pacific Shipping Pty Limited. The amount relates to expenses paid by Asia Pacific Shipping in the period from 31 March 2005 to 30 June 2005 for operating expenses of the economic entity. The amount was repaid to Asia Pcific Shipping Pty Limited since the end of the period.		45	
During the period Moltoni Corporation Pty Limited paid $54,865 on behalf of the economic entity and was reimbursed in full by way of deduction from amounts owing by Moltoni Corporation Pty Limited to the economic entity.		55	55
During the period the economic entity collected $4,414 net on behalf on Moltoni Corporation Pty Limited for rents less disbursements. These funds have been applied to reduce the amount owing by Moltoni Corporation Pty Limited to the economic entity.		4	
Parent entity transactions			
During the period the parent entity charged $720,000 in management fees to the operating divisions. The management fees represent a recovery for the costs of the parent entity associated with the strategic, financial and operational management of the operating divisions.		720	
During the period, the parent entity charged $96,338 to the demolition and remediation contracting division for the rent of the barge that is owned by the parent entity but operated by a subsidiary entity.		96	
As at 30 June 2005 the parent entity was owed an amount of $2,099,241 from subsidiary companies for working capital loans		2,099	

OTHER RELATED PARTY TRANSACTIONS SUBSEQUENT TO BALANCE DATE

On 26 July 2005, the economic entity signed Leases at normal market rates to occupy the following premises:

121 Woodstock Street, Mayfield	owned by Asia Pacific Shipping Pty Limited (previously owned by Asia Pacific Shipping Pty Limited and Moltoni Corporation Pty Limited)

48-62 Burrows Street, Alexandria	owned by interests associated with Mr Johnny Chung and Mr Joseph Chung
Lot 1 Old Port Rd, Port Kembla	owned by interests associated with Mr Johnny Chung and Mr Joseph Chung
Lots 5&6, 191 Miller Rd, Chester Hill	owned by interests associated with Mr Johnny Chung and Mr Joseph Chung

Note 29: Financial Instruments

(a) **Financial Risk Management**

The group's financial instruments consist mainly of deposit funds with banks, accounts receivable and payable, loans to and from related parties, bank loans and derivatives.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

Derivatives are used by the group for hedging purposes. Such instruments include forward exchange and currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

(i) Financial Risks

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(ii) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2005 all debt was at floating rates as new finance facilities were being negotiated. An interest rate risk policy is being developed for consideration and adoption.

(iii) Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale of scrap metal in currencies other than the group's measurement currency, (usually USD). The exposure is managed by entering into contracts to sell the foreign currency receipts forward. The group policy is that forward sales contracts will only be entered into for known foreign currency receipts. The forward contracts therefore represent a hedge against currency fluctuations.

(iv) Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(v) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

(vi) Price risk

Note 29: Financial Instruments

The group is exposed to contract price risk in the Demolition and Remediation Contracting Division. The risk is managed through the implementation of detailed costing and checking of tenders and regular monitoring of costs against budgets on site.

The group is also exposed to commodity price fluctuations for metals. Risks are managed through a margin trading policy such that wherever possible an appropriate spread is maintained between buy and sell transactions. Short term spread narrowing or widening can cause short term fluctuations in profitability.

(b) **Financial Instruments**

(i) Derivative Financial Instruments

Derivative financial instruments are used by the economic entity to hedge exposure to exchange rate risk associated with foreign currency transactions. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

Forward Exchange Contracts

The economic entity enters into forward exchange contracts to sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for both the contracted and anticipated future sales undertaken in foreign currencies.

The accounting policy in regard to forward exchange contracts is detailed in Note 1(i).

At balance date, the details of outstanding forward exchange contracts are:

Buy Australian Dollars	Sell United States Dollars	Exchange Rate
Settlement less than 6 months	1,595,000	.7652

(ii) Interest Rate Risk

The economic entity's exposure to interest rate risk on financial assets is limited to the amount of interest received on bank cheque accounts.

The economic entity's exposure to interest rate risk on financial liabilities is limited to the interest payable on new hire purchase and lease agreements which are fixed for the life of the agreement at the time the lease or hire purchase agreement is entered in to, plus interest payable on loans from related entities (repaid since 30 June 2005 and now nil), plus interest payable to banks at bill rates plus a margin.

The finance liabilities of the economic entity classified by interest rate risk are:

	Floating Interest Rate	Fixed Interest Rates maturing within 1 year	Fixed Interest Rates Maturing 1 to 5 year	Non Interest Bearing	Total
	2005 $000	2005 $000	2005 $000	2005 $000	2005 $000
Financial Liabilities:					
Bank loans and overdrafts	3,691				3,691
Trade and sundry payables	-			8,394	8,394
Amounts payable to related parties	4,000				4,000
Lease and hire purchase liabilities	-	3,442	4,299		7,276
Total Financial Liabilities	7,691	3,442	4,299	8,394	23,361

The weighted average interest rate paid on floating rate loans was approximately 5.43%

The weighted average interest rate paid on loans maturing in 1-5 years was approximately 5.8%

(iii) **Net Fair Values**

The net fair values of financial assets and financial liabilities are assessed as follows:

— Forward exchange contracts are the recognised unrealised gain or loss at balance date determined from the current forward exchange rates for contracts with similar maturities.

— Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets other than currency forward exchange contracts.

Note 30: Company Details

The registered office of the company is:

CMA Corporation Limited
Level 20
56 Pitt Street
Sydney NSW 2000

The principal places of business are:

Demolition and Remediation Contract Services Division

Moltoni Adams Group Pty Limited
121 Woodstock Street
Mayfield NSW 2304

T & T Metal & Asbestos Services Pty Limited
48-62 Burrows Rd
Alexandria NSW 2015

Scrap Metal Trading Division

T & T Metal Trading Pty Limited
48-62 Burrows Rd
Alexandria NSW 2015

Asia Pacific Metals Pty Limited ATF Asia Pacific Metals Unit Trust
121 Woodstock Street
Mayfield NSW 2304

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on page 1 to page 36 are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2005 and of the performance for the period ended on that date of the company and economic entity;
2. the Managing Director and Chief Finance Officer have each declared that:
   (a) the financial records of the company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements and notes for the financial period comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial period give a true and fair view.
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

   The company and T&T Metal Trading Pty Limited, T&T Metal & Asbestos Services Pty Limited and Moltoni Adams Group Pty Limited, have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

   At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Paul Adams

Managing Director

Dated this 31st day of August 2005.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CMA CORPORATION LIMITED

A Member Firm of PKF International

PKF

Chartered Accountants
& Business Advisers

NSW Partnership
ABN 83 236 985 726

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Sydney NSW 2000

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Tel: 61 2 9251 4100
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www.pkf.com.au

Liability is limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

Independent Audit Report
to the members of CMA Corporation Limited

Scope

The financial report, remuneration disclosures, and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for CMA Corporation Limited and the consolidated entity for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The company has disclosed information about the remuneration of directors and executives ("remuneration disclosures") as required by Accounting standards AASB 1046 Director and Executive Disclosures by Disclosing entities, under the heading "Remuneration Report" in pages 7 to 9 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. 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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CMA CORPORATION LIMITED

PKF

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
- 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.

Audit opinion

In our opinion, the financial report of CMA Corporation Limited and controlled entities 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

iii) other mandatory professional reporting requirements in Australia; and

(b) the remuneration disclosures that are contained in pages 7 to 9 of the directors' report comply with Accounting Standard AASB 1046 and the Corporations Regulations 2001.

PKF

PKF
Chartered Accountants & Business Advisers

Arthur Milner
Partner

Sydney, 31 August 2005.