



Oldfields Holdings Limited ABN 92 00 307 988

Appendix 4D

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. Results for announcement to the market

	Dec-23 \$'000	Dec-22 \$'000	Movement Up / (Down) \$'000	%
Revenues from ordinary activities	14,545	20,098	(5,553)	(27.6)
EBITDA	413	1,824	(1,411)	(77.4)
Profit (Loss) before revaluation of derivative financial instruments & income tax	(1,445)	489	(1,934)	(395.4)
Profit (Loss) from ordinary activities after tax attributable to the owners	(1,817)	469	(2,286)	(487.4)
Profit (Loss) after tax attributable to members of the parent entity	(2,166)	251	(2,417)	(962.9)

2. Review of operations and financial results

Refer to the accompanying Half-Year Financial Report for Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows.

Also refer to the Directors' Report in the accompanying Half-Year Financial Report for details on the result, segment information and operating performance for the half-year ended 31 December 2023.

For further detail please also refer to the media release dated 29 February 2024.

3. Dividends

No dividends have been paid or proposed during the half-year to members of Oldfields Holdings Limited.

4. Net tangible assets per security

	Dec-23 Cents per Share	Dec-22 Cents per Share
Net assets per security	0.088	1.406
Net tangible asset backing per ordinary security	(0.430)	0.856

5. Control gained or lost over entities

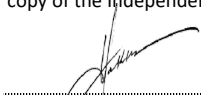
There was no control gained or lost over entities by the Group during the reporting period.

6. Details of associates and joint venture entities

The Group had no investment in associates and joint ventures during the reporting period.

7. Review status

The Oldfields Holdings Limited Half-Year Financial Report for the period ended 31 December 2023 has been subject to review by our external auditors. A copy of the Independent Review Report to the Owners of Oldfields Holdings Limited is included in the accompanying Half-Year Report.


Ka Lung Alan Lee (Company Secretary)

Dated: 29 February 2024

Oldfields Holdings Limited

ABN 92 00 307 988

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Contents

Section	Page
Directors' Report	2
Auditor's Independent Declaration	4
Half-Year Financial Report	5
Independent Auditor's Review Report	20
Corporate Directory	22

Directors' Report

Your Directors present their report on the consolidated entity (referred to herein as the "Group") consisting of Oldfields Holdings Limited (referred to herein as the "Company" or "Parent Entity") and its controlled entities for the half-year ended 31 December 2023.

Directors

The names and details of the Directors of Oldfields Holdings Limited during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Michael Micallef	Chief Executive Officer and Managing Director
Jonathan William Doy (resigned on 24 November 2023)	Independent Non-Executive Director and Chairman
David John Baird	Independent Non-Executive Director
Joseph Screnci	Independent Non-Executive Director and Chairman
James Stavroulakis (appointed on 24 November 2023)	Independent Non-Executive Director
Frank Lesko (appointed on 24 November 2023)	Independent Non-Executive Director
Jie Ma	Non-Executive Director
Ka Lung Alan Lee	Company Secretary

Principal Activities

The principal activities of the Group during the period were:

- import and distribution of paint brushes, paint rollers, painter's tools and accessories;
- hire and erection of scaffolding and related products; and
- manufacture and distribution of scaffolding and related equipment.

Significant Changes to Activities

There were no significant changes in the nature of the consolidated group's principal activities during the period. The majority of operations are conducted in Australia.

Review of Operations and Financial Results

Operating Results

The Group's profit before interest, tax, depreciation and amortisation ("EBITDA") for the 6 months to 31 December 2023 was \$0.4M (2022: \$1.82M).

The following table summarises the key reconciling items between statutory profit (loss) after income tax attributable to the shareholders of the Group and EBITDA. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items.

	Dec-23 \$'000	Dec-22 \$'000	Dec-21 \$'000	Dec-20 \$'000	Dec-19 ⁽¹⁾ \$'000
Sales revenue	14,545	20,098	11,959	11,054	12,239
Profit/(loss) after income tax	(1,817)	469	(1,801)	(1,128)	(487)
Income tax expense	372	20	51	100	91
Profit/(loss) before income tax	(1,445)	489	(1,750)	(1,028)	(396)
Gain on early redemption of deferred senior loan note	-	-	-	-	(470)
Revaluation of deferred senior loan note	-	-	-	-	(237)
Profit/(loss) before income tax, gain on early redemption and revaluation	(1,445)	489	(1,750)	(1,028)	(1,103)
Interest income	(6)	(14)	-	-	(14)
Depreciation and amortisation expense	338	171	681	548	461
Depreciation and amortisation of right-of-use assets	395	417	742	597	606
Impairment of hire equipment	319	-	-	-	-
Net finance costs	792	704	232	113	65
Unrealised foreign exchange (gains) losses	20	57	(3)	(21)	5
EBITDA	413	1,824	(98)	209	20

(1) The Group applied AASB 16 Leases effective 1 July 2019 using the modified retrospective method, under which the comparative information is not restated.

The Group's revenue from continuing operations for the half-year ended 31 December 2023 was \$14.5M (2022: \$20.1M). If revenue from the Scaffold Major Projects is excluded, revenue increased by 11.5% from \$13.0M in 2022 to \$14.5M in 2023.

Sales of materials (Paint Applications and Scaffold) division revenue increased by \$0.2M (3.1%) while the Hire and Services division revenue (excluding Scaffold Major Projects) also increased by \$1.3M (17.6%).

The Group's net operating loss for the Group after providing for income tax amounted to \$1.8M for the half-year ended 31 December 2023, significantly lower than \$0.47M profit for the same period last year. This financial year has seen the completion of the Scaffold Major Projects, however, the Group continues to experience organic growth in both divisions. Gross profit margins increased from 39.0% to 46.7% (excluding the Scaffold Major Projects) due to increase volume in sales of materials, return of better management of costs and improvement in hire rates and volume.

Review of Operations and Financial Results (continued)

Net cash provided by operating activities was \$0.6M for the six months ended 31 December 2023, the same as the net cash provided for the six months ended 31 December 2022. The Group continues to have a strong focus on working capital management by lowering inventory within the supply chain and improving payment terms for both debtors and creditors.

Financial Position

The net assets of the Group have decreased by \$2.0M from \$2.2M as at 30 June 2023 to \$0.2M as at 31 December 2023.

A key area of focus for the 2024 financial year will be to continue to increase profitability and the net asset position of the Group.

Significant Changes in State of Affairs

There have been no other significant changes in the state of affairs during or since the half-year ended 31 December 2023.

Dividends

Since the start of the financial year, no dividends have been paid or declared by Oldfields Holdings Limited.

Options

At the date of this report, 40,000,000 unlisted and detached warrants were issued to PURE Asset Management with exercise price of \$0.105 each.

1,000,000 share options were also issued to Michael Micallef, CEO and Managing Director of the Company with exercise price of \$0.05 each. All share options are fully vested and exercisable from 21 June 2023 for 24 months.

Events after the Reporting Period

On 28 February 2024, a waiver letter was signed by Pure Asset Management. Pure Asset Management waived their rights to the default from the continuing review events under the terms of the facility agreement.

There are no other matters or circumstances that have arisen since 31 December 2023 which significantly affect or could affect the operations of the Group in future years.

Rounding

The parent entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts contained in this report and in the interim financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

Auditor's Independence Declaration

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

This Directors' Report is signed in accordance with the resolution of the Board of Directors.



.....
Michael Micallef

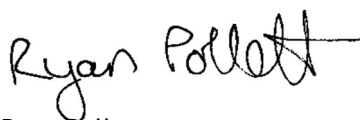
Dated: 29 February 2024

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF OLDFIELDS HOLDINGS LIMITED

As lead auditor for the review of Oldfields Holdings Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Oldfields Holdings Limited and the entities it controlled during the period.



Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney, 29 February 2024

Half-Year Financial Report

	Page
Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Interim Consolidated Financial Statements	10
Directors' Declaration	19

General Information

The interim financial report includes the consolidated financial statements for Oldfields Holdings Limited (the ultimate parent entity) and its controlled entities ("Oldfields" or the "Group"). The interim financial report is presented in Australian dollars, which is Oldfields Holdings Limited's functional and presentation currency.

The interim financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Oldfields Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is :

8 Farrow Road

Campbelltown, NSW, 2560, Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the interim financial report. The interim financial report was authorised for issue with a resolution of Directors on 29 February, 2024. The Directors have the power to amend and reissue the interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	Dec-23 \$'000	Dec-22 \$'000
Sales revenue	3	14,545	20,098
Cost of sales		(7,901)	(10,561)
Gross profit		6,644	9,537
Other income	3	78	1,623
Expenses:			
Depreciation and amortisation expense		(338)	(171)
Depreciation and amortisation of right-of-use assets		(395)	(417)
Other expenses from ordinary activities:			
Sales and distribution expenses		(3,210)	(6,159)
Marketing expenses		(67)	(26)
Occupancy expenses		(770)	(752)
Administrative expenses		(2,276)	(2,442)
Finance costs		(792)	(704)
Impairment of hire equipment		(319)	-
Profit (loss) before income tax		(1,445)	489
Tax expense		(372)	(20)
Net profit (loss) from continuing operations		(1,817)	469
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(20)	(120)
Other comprehensive income for the period, net of tax		(20)	(120)
Total comprehensive income for the period		(1,837)	349
Net profit (loss) for the period attributable to:			
Members of the parent entity		(2,166)	251
Non-controlling interest		349	218
Total net profit (loss) for the period		(1,817)	469
Comprehensive income attributable to:			
Members of the parent entity		(2,186)	131
Non-controlling interest		349	218
Total comprehensive income for the period		(1,837)	349
	Note	Cents	Cents
Earnings per share from continuing operations attributable to members of the parent entity			
Basic earnings per share	6 (c)	(1.205)	0.141
Diluted earnings per share	6 (f)	(1.205)	0.156

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	Dec-23 \$'000	Jun-23 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,169	1,427
Trade and other receivables		5,541	8,098
Inventories		4,241	3,913
Other financial assets		104	-
TOTAL CURRENT ASSETS		11,055	13,438
NON-CURRENT ASSETS			
Property, plant and equipment		4,445	4,308
Right-of-use asset	5	7,727	2,550
Intangible assets		932	960
TOTAL NON-CURRENT ASSETS		13,104	7,818
TOTAL ASSETS		24,159	21,256
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		7,356	7,634
Borrowings	8	5,487	4,417
Lease liabilities	9	1,358	792
Current tax liabilities		275	111
Employees benefit obligations		998	893
TOTAL CURRENT LIABILITIES		15,474	13,847
NON-CURRENT LIABILITIES			
Trade and other payables		1,695	3,011
Lease liabilities	9	6,589	1,976
Deferred tax liabilities		171	115
Employees benefit obligations		71	97
TOTAL NON-CURRENT LIABILITIES		8,526	5,199
TOTAL LIABILITIES		24,000	19,046
NET ASSETS		159	2,210
EQUITY			
Issued capital		28,157	28,157
Warrant reserve		692	692
Share options reserve		42	42
Other reserves		(127)	(107)
Accumulated losses		(29,647)	(27,481)
Parent interest		(883)	1,303
Non-controlling interest		1,042	907
TOTAL EQUITY		159	2,210

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Issued Capital \$'000	Warrant Reserve \$'000	Share Options Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 1 July 2023	28,157	692	42	(107)	(27,481)	1,303	907	2,210
Comprehensive income								
Profit (loss) for the period	-	-	-	-	(2,166)	(2,166)	349	(1,817)
Other comprehensive income for the period	-	-	-	(20)	-	(20)	-	(20)
Total comprehensive income for the period	-	-	-	(20)	(2,166)	(2,186)	349	(1,837)
Transactions with owners, in their capacity as owners								
Shares issued during the year	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-	-
Options issued	-	-	-	-	-	-	-	-
Dividends provided for or paid	-	-	-	-	-	-	(214)	(214)
Total transactions with owners and other transfers	-	-	-	-	-	-	(214)	(214)
Balance at 31 December 2023	28,157	692	42	(127)	(29,647)	(883)	1,042	159

For the half-year ended 31 December 2022

	Issued Capital \$'000	Warrant Reserve \$'000	Share Options Reserve \$'000	Other Reserves \$'000	Accumulated Losses \$'000	Subtotal \$'000	Non- Controlling Interests \$'000	Total \$'000
Balance at 1 July 2022	26,086	692	-	84	(26,061)	801	815	1,616
Comprehensive income								
Profit for the period	-	-	-	-	251	251	218	469
Other comprehensive income for the period	-	-	-	(120)	-	(120)	-	(120)
Total comprehensive income for the period	-	-	-	(120)	251	131	218	349
Transactions with owners, in their capacity as owners								
Shares issued during the year	655	-	-	-	-	655	-	655
Transaction costs	(26)	-	-	-	-	(26)	-	(26)
Options issued	-	-	12	-	-	12	-	12
Dividends provided for or paid	-	-	-	-	-	-	(112)	(112)
Total transactions with owners and other transfers	629	-	12	-	-	641	(112)	529
Balance at 31 December 2022	26,715	692	12	(36)	(25,810)	1,573	921	2,494

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Note	Dec-23 \$'000	Dec-22 \$'000
OPERATING ACTIVITIES			
Receipts from customers		17,103	17,003
Payments to suppliers and employees		(16,208)	(15,696)
		895	1,307
Interest received		6	14
Other income received		72	14
Finance costs		(173)	(617)
Income tax paid		(153)	(102)
Net cash provided by (used in) operating activities		647	616
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(646)	(1,057)
Net cash used in investing activities		(646)	(1,057)
FINANCING ACTIVITIES			
Proceeds from borrowings		420	478
Proceeds from issue of shares		-	525
Repayment of borrowings		(72)	(238)
Repayment of lease liabilities		(393)	(705)
Dividends paid by controlled entities to non-controlling interests		(214)	(112)
Net cash provided by (used in) financing activities		(259)	(52)
Net decrease in cash and cash equivalents		(258)	(493)
Net decrease in cash and cash equivalents		(258)	(493)
Cash and cash equivalents at beginning of the period		1,427	1,426
Cash and cash equivalents at end of the period	4	1,169	933

Notes to the Interim Consolidated Financial Statements

		Page
Note 1	Summary of Significant Accounting Policies	11
Note 2	Segment Information	11
Note 3	Revenue and Other Income	14
Note 4	Cash and Cash Equivalents	15
Note 5	Right of Use Assets	15
Note 6	Earnings Per Share	16
Note 7	Commitments and Contingencies	16
Note 8	Borrowings	17
Note 9	Lease Liabilities	17
Note 10	Events After the Reporting Period	18
Note 11	Related Party Transactions	18

Notes to the Interim Consolidated Financial Statements

1. Summary of Significant Accounting Policies

This general purpose interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for for-profit oriented entities. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim report unless otherwise stated.

Statement of Compliance

This general purpose interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and *Corporations Act 2001*.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. All other accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Basis of Preparation

The interim financial statements have been prepared on the historical cost basis except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and derivative financial instruments.

Comparative figures have been adjusted to conform to changes in classification and presentation for the current period.

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The interim financial statements are presented in Australian dollars which is the Parent Entity's functional currency.

Rounding

The parent entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the interim financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

Key Judgements, Estimates and Assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements, applied estimates and assumptions of future events.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the period ended 31 December 2023, the Group incurred a net loss after tax of \$1.8M (31 December 2022: \$0.5M profit), net cash inflow from operating activities of \$0.6M (2022: inflow of \$0.6M) and was in a net current liability position of \$4.42M (31 December 2022: \$0.41M). Within the net current liability position is a loan from Pure Asset Management ('PURE') of \$5.4M, classified as current as a result of ongoing events of default under the terms of the Facility Agreement.

Notwithstanding these conditions, the directors are confident that it is appropriate to prepare the financial statements on a going concern basis, because:

- On 29 February 2024, a waiver letter was signed between the Company and Pure Asset Management. Pure Asset Management waived their rights to the default from the continuing review events under the terms of the Facility Agreement;
- the Group's detailed cash flow forecast indicates a positive cash position over the 12-month period from the date of authorisation of this financial report, and supports that revised covenants associated with the Facility Agreement will be met during the forecast period; and
- the directors and management are confident that all the commitments on the payment plan with the Australian Taxation Office will be met.

Furthermore, the Group recorded positive EBITDA results for the period to December 2023, which the directors and management are confident will continue over the forecast period. A cost review program to streamline the activities is also being undertaken.

Finally, the directors have been successful in obtaining further funding from Pure Asset Management, drawing down \$420k in December 2023, and are confident that alternate sources of funding could be sourced if required.

As such, the financial report has been prepared on a going concern basis.

2. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by Chief Operating Decision Maker (CODM), being the Board of Directors, in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

2. Segment Information (continued)

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The products sold and/or services provided by the segment;
- The manufacturing process;
- The type or class of customer for the products or service;
- The distribution method; and
- Any external regulatory requirements.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Unless stated otherwise, all amounts reported to the Board of Directors, being the CODM with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

The primary operating segments during the current financial period were:

- (i) **Consumer Products**
The consumer products segment imports, manufactures and distributes paint brushes, paint rollers and painter's tools.
- (ii) **Scaffolding**
The scaffolding segment manufactures and distributes scaffolding and related equipment. In addition, this segment is engaged in hiring scaffolding and access solutions to the building maintenance and construction industries.

2.1 Operating Segment Performance by Department

Six months to 31 December 2023

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Revenue				
Sale of goods	3,326	2,261	-	5,587
Hire and erection revenue	-	8,958	-	8,958
Total segment revenue	3,326	11,219	-	14,545
Interest income	6	-	-	6
Other income	-	66	6	72
Total other revenue	6	66	6	78
Total revenue and other income	3,332	11,285	6	14,623
Adjusted segment EBITDA	52	1,644	(1,283)	413
Depreciation and amortisation expense	(1)	(298)	(39)	(338)
Depreciation and amortisation of right-of-use assets	(22)	(358)	(15)	(395)
Impairment of hire fleet	-	(319)	-	(319)
Interest income	-	-	6	6
Net finance costs	(133)	(79)	(580)	(792)
Unrealised foreign exchange loss	-	-	(20)	(20)
Profit (loss) before income tax	(104)	590	(1,931)	(1,445)
Income tax expense	-	(372)	-	(372)
Profit (loss) after income tax	(104)	218	(1,931)	(1,817)

Six months to 31 December 2022

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Revenue				
Sale of goods	3,600	1,821	-	5,421
Hire and erection revenue	-	14,677	-	14,677
Total segment revenue	3,600	16,498	-	20,098
Interest income	14	-	-	14
Other income	-	1,603	6	1,609
Total other revenue	14	1,603	6	1,623
Total revenue and other income	3,614	18,101	6	21,721
Adjusted segment EBITDA	1	2,907	(1,084)	1,824
Depreciation and amortisation expense	(5)	(133)	(33)	(171)
Depreciation and amortisation of right-of-use assets	(50)	(362)	(5)	(417)
Interest income	14	-	-	14
Net finance costs	(84)	(123)	(497)	(704)
Unrealised foreign exchange loss	-	-	(57)	(57)
Profit (loss) before income tax	(124)	2,289	(1,676)	489
Income tax expense	-	(20)	-	(20)
Profit (loss) after income tax	(124)	2,269	(1,676)	469

2.2 Operating Segment Performance by Geographical Location

Six months to 31 December 2023

	Australia \$'000	New Zealand \$'000	China \$'000	Total \$'000
Revenue				
Sale of goods	5,219	158	210	5,587
Hire and erection revenue	8,958	-	-	8,958
Total segment revenue	14,177	158	210	14,545
Interest income	6	-	-	6
Other income	69	-	3	72
Total other revenue	75	-	3	78
Total revenue and other income	14,252	158	213	14,623
Adjusted segment EBITDA	244	26	143	413
Depreciation and amortisation expense	(313)	-	(25)	(338)
Depreciation and amortisation of right-of-use assets	(310)	-	(85)	(395)
Impairment of hire fleet	(319)	-	-	(319)
Interest income	6	-	-	6
Net finance costs	(770)	-	(22)	(792)
Unrealised foreign exchange loss	(20)	-	-	(20)
Profit (loss) before income tax	(1,482)	26	11	(1,445)
Income tax expense	(372)	-	-	(372)
Profit (loss) after income tax	(1,854)	26	11	(1,817)

Six months to 31 December 2022

	Australia \$'000	New Zealand \$'000	China \$'000	Total \$'000
Revenue				
Sale of goods	5,309	106	6	5,421
Hire and erection revenue	14,677	-	-	14,677
Total segment revenue	19,986	106	6	20,098
Interest income	14	-	-	14
Other income	1,608	-	1	1,609
Total other revenue	1,622	-	1	1,623
Total revenue and other income	21,608	106	7	21,721
Adjusted segment EBITDA	1,998	(15)	(159)	1,824
Depreciation and amortisation expense	(141)	(3)	(27)	(171)
Depreciation and amortisation of right-of-use assets	(307)	(26)	(84)	(417)
Interest income	14	-	-	14
Net finance costs	(667)	(6)	(31)	(704)
Unrealised foreign exchange loss	(57)	-	-	(57)
Profit (loss) before income tax	840	(50)	(301)	489
Income tax expense	(20)	-	-	(20)
Profit (loss) after income tax	820	(50)	(301)	469

All inter-segment transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on a segment's overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Adjusted segment EBITDA excludes discontinued operations and the effects of individually significant expenditure, such as restructuring costs, legal expenses, and impairments when the impairment is the result of an isolated non-recurring event. It also excludes the effects of equity-settled share-based payments when applicable and unrealised gains or losses on financial instruments.

Interest revenue and finance cost are not allocated to segments as this type of activity is driven by the central treasury function which manages the cash position of the Group.

2.3 Operating Segment Assets and Liabilities by Department

As at 31 December 2023

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	4,892	16,582	2,685	24,159
Segment liabilities	(5,630)	(4,971)	(13,399)	(24,000)
Segment net assets (liabilities)	(738)	11,611	(10,714)	159

As at 30 June 2023

	Consumer Products \$'000	Scaffolding \$'000	Intersegment Eliminations/ Unallocated \$'000	Total \$'000
Segment assets	3,602	18,670	(1,016)	21,256
Segment liabilities	(4,778)	(6,436)	(7,832)	(19,046)
Segment net assets (liabilities)	(1,176)	12,234	(8,848)	2,210

2.3 Operating Segment Assets and Liabilities by Geographical Location

As at 31 December 2023

	Australia \$'000	New Zealand \$'000	China \$'000	Total \$'000
Segment assets	19,359	236	4,564	24,159
Segment liabilities	(19,035)	(430)	(4,535)	(24,000)
Segment net assets (liabilities)	324	(194)	29	159

As at 30 June 2023

	Australia \$'000	New Zealand \$'000	China \$'000	Total \$'000
Segment assets	16,287	276	4,693	21,256
Segment liabilities	(13,896)	(495)	(4,655)	(19,046)
Segment net assets (liabilities)	2,391	(219)	38	2,210

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates.

3. Revenue and Other Income

The Group derives the following types of revenue:

	Dec-23 \$'000	Dec-22 \$'000
Revenue from contracts with customers		
Sale of goods	5,587	5,421
Revenue from services	5,599	11,125
Revenue from operating leases		
Hire of equipment	3,359	3,552
Total sales revenue	14,545	20,098
Other income		
Interest income	6	14
Other revenue [#]	72	1,609
Total other income	78	1,623
Total revenue and other income from continuing operations	14,623	21,721

[#] Other revenue represents project management fee income from the scaffold Major Project stream.

3.1 Recognition and Measurement

Oldfields is predominately a provider of scaffolding equipment for hire or sale and paint tools for sales with revenue primarily generated via dry hire, project hire or sale.

The company generates revenue via provision of equipment for hire, services and the sales or product. Revenue generated from hire or equipment only is referred to as "dry hire" revenue.

Project hire or "wet hire" revenue includes "dry hire" revenue plus labour services, cartage services. Consumable sales and/or other services which are recognised over time as services can be staged progressively as they are rendered. These forms of contracts may vary in scope; however, all project hire has one common performance obligation, being the provision of scaffolding structures to the customer which includes the scaffolding equipment, the labour on installation and dismantling, cartage (transport to and from the customer) and any ancillary materials that are required to fulfill the obligation.

To determine whether to recognise revenue, the Group follow a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price
- 4) Allocating the transaction price to the performance obligations
- 5) Recognising revenue when/as performance obligation(s) are satisfied

Hire of equipment

Scaffolding equipment are rented to customers under operating leases with rental periods averaging one month to less than one year.

The rental can be arranged as dry hire where only equipment is provided to the customer and revenue is recognised at fixed rates over the period of hire; or as part of a project hire where Oldfields supplies labour and cartage services between warehouse and building sites.

Revenue recognition on equipment hire commences once scaffold equipment is either collected by the customer, delivered to the customer or once a scaffolding structure has been certified to be safe and access granted to customers or control otherwise passes to a customer.

Revenue is recognised over straight-line bases over the life of the hire agreements per AASB 16 leases.

3.1 Recognition and Measurement (continued)

Labour and cartage services

Revenue from providing scaffolding labour in installation and dismantling, and equipment cartage, being transport to and from the customer, are recognised at one or more points in time as services can be staged progressively as they are rendered.

Revenue is recognised based on the actual service provided to the end of the reporting period because the customer receives and uses the benefits simultaneously.

Labour and cartage services revenue are recognized over time under *AASB 15 Revenue from Contracts with Customers*.

Scaffold equipment and Paint Tool sales and other services

Revenue from sales are measured as the transaction price net of returns, trade discounts and volume rebates.

Revenue is recognised when control of the goods or services are transferred to customers which is generally upon delivery to or collection by the customer depending on the contract with customer.

Discounts are recognised as a reduction in revenue until management determine that it is highly probable that no significant reversal of revenue will occur.

Revenue recognition of consumable sales and other services are at a point in time when control passes which is typically upon delivery or collection as under *AASB 15 Revenue from Contracts with Customers*.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

4. Cash and Cash Equivalents

	Dec-23 \$'000	Jun-23 \$'000
Cash on hand	1	1
Cash at bank	1,158	1,416
Short term deposits	10	10
Total cash and cash equivalents	1,169	1,427

Reconciliation to cash flow statement

The above cash balance is reconciled to the amount of cash shown in the statement of cash flows at the end of the financial period as follows:

	Dec-23 \$'000	Dec-22 \$'000
Cash and cash equivalents	1,169	933
Balances per statement of cash flows	1,169	933

5. Right of Use Assets

As at 31 December 2023

	Premises and Buildings \$'000	Motor Vehicles \$'000	Total \$'000
Cost	11,742	3,078	14,820
Accumulated depreciation	(4,623)	(2,470)	(7,093)
Total right-of-use assets	7,119	608	7,727
Opening net book amount	1,974	576	2,550
Modifications and reassessments	5,393	179	5,572
Depreciation	(248)	(147)	(395)
Closing net book amount	7,119	608	7,727

As at 30 June 2023

	Premises and Buildings \$'000	Motor Vehicles \$'000	Total \$'000
Cost	6,349	2,899	9,248
Accumulated depreciation	(4,375)	(2,323)	(6,698)
Total right-of-use assets	1,974	576	2,550
Opening net book amount	2,692	708	3,400
Modifications and reassessments	(177)	148	(29)
Depreciation	(541)	(280)	(821)
Closing net book amount	1,974	576	2,550

The consolidated entity leases premises and buildings for its offices, warehouses and retail outlets under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases motor vehicles under agreements of between three to seven years.

5.1 Recognition and Measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

6. Earnings Per Share

	Dec-23 \$'000	Dec-22 \$'000
(a) Reconciliation of earnings to profit or loss		
Profit (Loss) for the period	(1,817)	469
Less: Profit attributable to non-controlling equity interest	(349)	(218)
Earnings used to calculate basic EPS	(2,166)	251
	Dec-23 Number	Dec-22 Number
(b) Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	179,765,115	177,417,486
	Dec-23 Cents	Dec-22 Cents
(c) Basic earnings per share	(1.205)	0.141
	Dec-23 Cents	Dec-22 Cents
(d) Earnings used to calculate basic EPS	(2,166)	251
Less PURE interest charged during the period	(238)	(238)
Add PURE interest for the period	328	328
Earnings used to calculate diluted EPS	(2,076)	341
	Dec-23 Number	Dec-22 Number
(e) Number of shares used to calculate diluted EPS	220,765,115	218,417,486
	Dec-23 Cents	Dec-22 Cents
(f) Diluted earnings per share	(1.205)	0.156

6.1 Calculation of Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Oldfields Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

40,000,000 unlisted and detached warrants were issued to PURE Asset Management with exercise price of \$0.105 each as well as 1,000,000 unlisted share options were issued to the CEO and Managing Director of the Company with exercise price of \$0.05 each.

7. Commitments and Contingencies

There has been no significant movements in commitments or contingencies since the previous reporting period, being 30 June 2023.

8. Borrowings

	Dec-23 \$'000	Jun-23 \$'000
CURRENT		
<i>Secured liabilities</i>		
Bank loans	248	256
Loan facility with Pure Asset Management	5,166	4,097
Shareholder loan	41	41
Other financing liabilities	32	23
Total current borrowings	5,487	4,417
Total borrowings	5,487	4,417
	Dec-23 \$'000	Jun-23 \$'000
Net loan facility with Pure Asset Management		
Loan facility with Pure Asset Management	5,420	5,000
Fair value of attaching warrant	(692)	(692)
Transaction costs	(600)	(600)
	4,128	3,708
Amortisation of finance components (warrants and transaction costs)	541	385
Interest accrued	497	4
Net loan facility with Pure Asset Management	5,166	4,097

The PURE Facility is over a 4-year term to April 2026 with 9.75% interest rate, interest payable every 3 months. Transaction costs are costs that are directly attributable to the loan and include loan origination fees, legal and advisory fees and warrants. 40,000,000 unlisted and detached warrants were issued to PURE (25,155,000 on 22 April 2022 and 14,845,000 on 30 June 2022) with exercise price of \$0.105 each. These have been valued using Monte Carlo simulation method. The balance of unamortised fair value of attaching warrants and transaction costs of \$1,265,967 is offset against the borrowings of \$5,000,000. The security of the facility is a first-ranking general security over all assets of Oldfields Holdings Limited and its subsidiaries. Additional funding of \$420,000 was received from Pure Asset Management on 29 November 2023 under the same terms as the previous agreements.

During the period, a continuing review event under the terms of the Facility Agreement with Pure Asset Management occurred as a result of the Group's trailing 6-month EBITDA to December 2023. Pure Asset Management has continued to be supportive to the Group and subsequent to period end, they waive their rights to the default by the Group.

8.1 Recognition and Measurement

Loans and borrowings are initially recognised at the fair value of the consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

8.2 Key Judgements, Estimates and Assumptions: Borrowings

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

9. Lease Liabilities

	Dec-23 \$'000	Jun-23 \$'000
CURRENT		
Lease liability	1,358	792
Total current lease liabilities	1,358	792
NON-CURRENT		
Lease liability	6,589	1,976
Total non-current lease liabilities	6,589	1,976
Total lease liabilities	7,947	2,768
	Dec-23 \$'000	Dec-22 \$'000
<i>Lease amounts included in the statement of cashflows</i>		
Lease payments	393	705
Interest expense (included in finance costs)	29	36
Total amount paid	422	741

The Group has elected not to recognise a lease liability for low value leases (where an asset is valued at \$5,000 or lower per AASB16). Payments for these are recognised on a straight-line basis as an expense in the statement of profit or loss. Low value assets are predominately forklifts. The undiscounted cash flows on the remaining lease term at the reporting date are as follows:

	Dec-23 \$'000	Jun-23 \$'000
Maturity Analysis		
<i>Contractual discounted cash flows</i>		
Within one year	-	5
Later than one year but not later than five years	-	-
Total contractual undiscounted cash flows	-	5

9.1 Recognition and Measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

9.2 Key Judgements, Estimates and Assumptions: Termination and Extension Options

Extension and termination options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise and extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

10. Events After the Reporting Period

On 28 February 2024, a waiver letter was signed by Pure Asset Management. Pure Asset Management waived their rights to the default from the continuing review events under the terms of the facility agreement.

There are no other matters or circumstances that have arisen since 31 December 2023 which significantly affect or could affect the operations of the Group in future years.

11. Related Party Transactions

Ultimate controlling entity

Oldfields Holdings Limited (incorporated in Australia).

	Dec-23 \$	Jun-23 \$
Transactions with related parties		
The following transactions occurred with related parties:		
Dividends paid to Sibley Investments Pty Ltd, holder of minority interest in Adelaide Scaffold Solutions Pty Ltd	214,000	333,000

	Dec-23 \$	Jun-23 \$
Loans from related parties		
Loan payable to Wayne Ding, being a related party of EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	29,175	29,175
Loan received	-	-
Loan repayments made	-	-
Interest charged	-	-
Interest paid	-	-
End of the year	29,175	29,175

Loan payable to EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	11,998	11,998
Loan received	-	-
Loan repayments made	-	-
Interest charged	-	-
Interest paid	-	-
End of the year	11,998	11,998

	Dec-23 \$	Jun-23 \$
Loans to related parties		
Loan receivable from EQM Holdings Pty Limited (the Group's major shareholder)		
Beginning of the year	98,668	-
Loan provided	-	90,000
Loan repayments received	-	-
Interest accrued	5,080	8,668
Interest received	-	-
End of the year	103,748	98,668

Terms and conditions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The loan from/to EQM Holdings Pty Ltd is repayable on demand and interest rate at 10% per annum.

Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....
Michael Micallef

Dated: 29 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oldfields Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Oldfields Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

BDO
A handwritten signature in black ink that reads 'Ryan Pollett'. The signature is written in a cursive style with a long horizontal stroke at the end.

Ryan Pollett
Director

Sydney, 29 February 2024

Corporate Directory

Directors

Mr Michael Emanuel Micallef

Chief Executive Officer and Managing Director

Mr Jonathan William Doy *(resigned on 24 November 2023)*

Independent Non-Executive Director and Chairman

Mr David John Baird

Independent Non-Executive Director

Mr Joseph Screnci

Independent Non-Executive Director and Chairman

Mr James Stavroulakis *(appointed on 24 November 2023)*

Independent Non-Executive Director

Mr Frank Lesko *(appointed on 24 November 2023)*

Independent Non-Executive Director

Mr Jie Ma

Non-Executive Director

Company Secretary

Mr Ka Lung Alan Lee

Stock Exchange Listing

Oldfields Holdings Limited (ASX: OLH)

Share Registry

Boardroom Pty Ltd

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Sydney NSW 2000

1300 737 760 (in Australia)

www.boardroomlimited.com.au

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Moorebank NSW 2170

1300 306 888

Website

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Auditor

BDO Audit Pty Ltd

Level 11, 1 Margaret Street

Sydney NSW 2000