



# 2023 ANNUAL REPORT

**oldfields**  
HOLDINGS LIMITED



# Annual Report Contents

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# Our Vision

*"To be the most trusted and demanded scaffold solutions and paint tools partner."*

# Our Mission

*"To help all on their path to build, restore and renovate through transparency, product leadership and customer devotion."*

**oldfields**



# Our Values



## CUSTOMER DEVOTION

Everything we do is dedicated to offering our customers the best advice, products and experience. We are agile and act quickly with the right solution as we understand that our customer's needs can be diverse. Above all else, we are committed to delivering on exactly what we say we will.



## LEADERSHIP

We are pioneering the way we lead our business and people to prepare for others to follow.

We show up with solutions, not problems.

We are empowered to challenge the status quo, make decisions and take action. We are thought, product and industry leaders.



## SAFETY & WELL-BEING

We are committed to getting everyone home safely and understand that safety is everyone's responsibility. We prioritise work life balance and wellbeing. We check-in on our teammates and encourage an inclusive and diverse culture.



## TRANSPARENCY

We understand that consistent communication and collaboration at all levels is core to our success and culture. We empower people through accountability which means, we do the right thing, not the easy thing and don't play the blame game.

# Chairman's Report

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The Board and I take great pride in announcing a significant turnaround in the Group's financial performance this year. We achieved a noteworthy EBITDA increase, moving the group into a strong positive position. Pleasingly, our earnings grew by more than half. This accomplishment is especially satisfying as it comes after a tough period characterised by the disruptive effects of the global pandemic on the worldwide supply network and costs of raw materials.

I extend my congratulations to the management team for their exceptional efforts in steering the company towards a new trajectory that holds immense promise for the future. Under the leadership of our CEO, Michael Micallef, the management team has diligently executed the transformation strategy. This strategy focuses on enhancing both top-line growth and profitability, cultivating a more customer-centric organisation, refining our systems and processes, and attracting top talent. We continue to see exciting growth in our business, allowing us to explore and invest in opportunities that can expand our revenue base.

I would like to extend my thanks to all shareholders for your ongoing support which has allowed us to continue to strive towards our vision to be the most trusted and demanded scaffold solutions and paint tools partner.

The Board and I would also like to extend our thanks to shareholders who endorsed our capital-raising endeavours through the entitlement offer and shares placement throughout the year. It is a privilege to lead the Board and advocate for your interests in a cherished Australian brand with a storied history spanning over a century.

**Jonathan Doy**  
**Chairman**





# CEO Report

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The ongoing revival of this iconic Australian brand, which boasts a rich history spanning 107 years, has been an incredibly exhilarating journey. Over the past year, new leadership throughout the organization has skilfully executed pivotal transformative endeavours and market-oriented initiatives, with a keen emphasis on fiscal rigour and discipline. These endeavours have laid down the groundwork for sustainable, profitable, and scalable growth.

We are thrilled to announce exceptional achievements for the FY2023, with revenues soaring by an impressive 59.3% to reach \$39.9 million, and EBITDA surging to \$2.4 million, a remarkable turnaround from the \$1.0 million loss in FY2022. I would like to extend my congratulations to the entire Oldfields team for their remarkable contributions to this significant milestone.

Our newly established Vision, Mission, Values, and three core Strategic Pillars now form the foundation upon which various work streams construct a robust framework of essential targets. This framework continues to steer the execution of key initiatives, yielding outcomes that not only elevate company performance but also nurture a high-performance, customer-centric culture.

Furthermore, a range of transformative programs underpinning these strategic pillars are currently in progress, encompassing all facets of the enterprise. These initiatives span from refining processes, enhancing forecasting and pipeline transparency, embracing digital transformation, fine-tuning our market approach, to enhancing both customer and employee experiences.

These programs are poised to enhance operational efficiencies, financial precision, and unlock growth potential across various verticals and segments. The completion and implementation of Oldfields' organisational redesign has given clarity and purpose to our teams, established well-defined roles and responsibilities, and an understanding of how every employee contributes to Oldfields' success.

The Oldfields brand has long been synonymous with high quality products that have stood the test of time. Reinvigorating and evolving this brand to enhance its relevance in an ever-changing marketplace is an enthralling prospect. With a robust sense of confidence, we find ourselves strategically positioned to expand our market presence across all categories.

I extend my thanks to our valued shareholders, board members and Oldfields employees for their unwavering support and dedication. As we set our sights on continued success in 2024, we do so with a sense of optimism and excitement.

**Michael Micallef**  
**CEO & Managing Director**

# Directors' Report

Your Directors present their report on the consolidated entity (referred to herein as the "Group") consisting of Oldfields Holdings Limited (referred to hereafter as the "Company" or the "Parent Entity") and its controlled entities for the financial year ended 30 June 2023.

## Directors' Details

The names and details of the Directors of the Company during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

### Michael Emanuel Micallef (appointed on 25 July 2022)

Chief Executive Officer and Managing Director

Mr Micallef has more than 10 years of executive leadership experience. He is a passionate and customer focused leader who adapts to go-to-market strategies and evidenced identifying and consolidating opportunities through to execution.

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

1,000,000 share options held

**Contractual rights to shares:**

1,000,000 share options held

### Jonathan William Doy

Independent non-executive Director and Chairman

Mr Doy is a director in the taxation advisory practice of William Buck Australia. He is an acknowledged specialist in tax as well as in the broader business implications of transactions particularly in the construction and property industry.

**Special responsibilities**

Chairman of the Audit Committee and Member of the Remuneration Committee

**Qualifications**

Bachelor of Economics, Member of AICD and Fellow Member of CPA

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

Nil

**Contractual rights to shares:**

Nil

### David John Baird

Independent non-executive Director

Mr Baird has over 30 years experience in local government, planning and environmental law.

**Special responsibilities**

Chairman of the Remuneration Committee and Member of the Audit Committee

**Qualifications**

Bachelor of Arts and Bachelor of Laws

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

1,142,799 shares held

**Contractual rights to shares:**

Nil

### Jie Ma

Non-executive Director

Mr Ma has over 20 years experience in mid and high-rise construction in China and Australia.

**Special responsibilities**

Member of the Audit Committee and Member of the Remuneration Committee

**Qualifications**

Bachelor of Industrial and Civil Engineering

**Other current directorships:**

None

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

85,530,329 shares held

(holds 50% of the units in the EQM Holdings Unit Trust. EQM Holdings Pty Ltd atf the EQM Holdings Unit Trust holds 85,530,329 ordinary shares)

**Contractual rights to shares:**

Nil

**Joseph Screnci (appointed on 3 April 2023)****Independent non-executive Director**

Mr Screnci has extensive expertise in corporate advisory services including human capital management, leadership development, business restructuring and transformation, strategic analysis and managing multicultural businesses in the Asia Pacific Region and Europe.

**Qualifications**

Bachelor of Engineering, Master of Business Administration and Company Director's Course

**Other current directorships:**

Hoffmann Reed, Mind Resources, Forrest Marketing Group

**Previous directorships (last 3 years):**

FastVisa Australia, WiserLife, WiseOwl, Multimedia

**Interest in shares and options:**

2,000,000 shares held

**Contractual rights to shares:**

Nil

**Richard John Abela (resigned on 5 December 2022)****Executive Director**

Mr Abela has more than 20 years experience in senior/managing director roles in finance, sales & marketing and supply chain including a number of years in the building products sector, scaffolding and trade related industries.

**Qualifications**

Fellow Member of CPA and Master of Business Administration

**Other current directorships:**

Order of Saint John of Jerusalem, Knights Hospitaller

**Previous directorships (last 3 years):**

None

**Interest in shares and options:**

201,000 shares held

**Contractual rights to shares:**

Nil

**Company Secretary**

Alan Lee was appointed as Company Secretary on 12 June 2019.

Alan has over 25 years experience in financial reporting and controls, corporate advisory and governance, business valuation, transaction services across a wide range of industries and sectors in Australasia and Asia. He has been Chief Financial Officer of another ASX listed company and a mid-market private equity firm in Australia. Alan has worked in the Financial Advisory division and Assurance division of KPMG, PwC and EY in Sydney and Hong Kong. He holds a Bachelor of Commerce and a Graduate Diploma in Applied Finance and Investment as well as a CPA in Australia and Hong Kong.

**Principal Activities**

The principal activities of the Group during the financial year 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.

There were no significant changes in the nature of the Group's principal activities during the financial year. The majority of operations are conducted in Australia.

**Review of Operations and Financial Results****Operating Results**

Net loss for the Group after providing for income tax amounted to \$1.0M (2022: \$4.0M loss).

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) has reduced from \$1.0M loss last year to \$2.4M profit this year.

The following table summarises the key reconciling items between 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. The Directors consider EBITDA to reflect the core earnings/(loss) of the Group.

|  | 2023<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 | 2020<br>\$'000 | 2019<br>\$'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Sales revenue</b>   | <b>37,641</b>  | <b>24,474</b>  | <b>22,716</b>  | <b>24,591</b>  | <b>24,755</b>  |
| <b>Profit (loss) after income tax</b>  | <b>(1,031)</b> | <b>(4,034)</b> | <b>(2,586)</b> | <b>(1,222)</b> | <b>(228)</b>   |
| Income tax expense   | 360            | 219            | 290            | 284            | 416            |
| <b>Profit (loss) before income tax</b>   | <b>(671)</b>   | <b>(3,815)</b> | <b>(2,296)</b> | <b>(938)</b>   | <b>188</b>     |
| Gain on early redemption of deferred senior loan note                            | -              | -              | -              | (470)          | -              |
| Revaluation of deferred senior loan note   | -              | -              | -              | (237)          | (508)          |
| <b>Profit (loss) before income tax, gain on early redemption and revaluation</b> | <b>(671)</b>   | <b>(3,815)</b> | <b>(2,296)</b> | <b>(1,645)</b> | <b>(320)</b>   |
| Interest income  | (10)           | -              | -              | (14)           | -              |
| Depreciation and amortisation expense  | 405            | 600            | 930            | 739            | 880            |
| Depreciation and amortisation of right-of-use assets                             | 821            | 1,602          | 1,472          | 1,415          | -              |
| Net finance costs  | 1,778          | 654            | 240            | 165            | 349            |
| Unrealised foreign exchange losses   | 79             | 5              | (183)          | -              | 6              |
| <b>EBITDA</b>  | <b>2,402</b>   | <b>(954)</b>   | <b>163</b>     | <b>660</b>     | <b>915</b>     |
| Dividends paid   | -              | -              | -              | -              | -              |
| Share price  | <b>0.040</b>   | 0.048          | 0.076          | 0.070          | 0.034          |
| Return on capital  | -              | -              | -              | -              | 0.00%          |



The Group's revenue for the year ended 30 June 2023 was \$37.6M (2022: \$24.5M), an increase of 53.8% compared with the prior period. Revenue from sales of materials (Paint Accessories and Scaffold) increased by \$5.3M (56.4%) while the revenue scaffold hire and services increased by \$7.9M (52.2%).

The Group's net loss after tax was \$1.0M (2022: Loss \$4.0M). The Group had a loss of \$0.7M before income tax (2022: Loss \$3.8M).

The Group's EBITDA was a profit of \$2.4M (2022: \$1.0M loss) and the increase of \$3.4M for the year was attributable to increase in revenue from sales of materials and scaffold hire and services as well as the improvement in margins. The Group's gross margin increased from 35.4% to 44.0% due to a return of better management of costs and supply chain efficiency as well as improvement in volume.

Depreciation and amortisation expense for the year was \$1.2M which was a decrease of \$1.0M (2022: \$2.2M) which reflects the impact on the review and changes of expected useful life of some hire equipment and the short term lease of premises in NSW and QLD.

#### Review of Operations

Refer to the CEO Report on page 5 of the Annual Report.

The business will continue to have challenges including inflation and interest rate risks, labour shortages, supply chain disruptions and economic slow down. We are constantly reviewing the appropriateness of the business model and its relevance in a rapidly changing environment.

#### Financial Position

The net assets of the Group have increased by \$0.6M from \$1.6M at 30 June 2022 to \$2.2M at 30 June 2023.

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

#### Significant Changes in State of Affairs

There were no significant changes in the state of affairs during the financial year.

#### Dividends

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

#### Events after the Reporting Period

On 30 August 2023, a waiver and amendment 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.

#### Future Developments, Prospects and Business Strategies

A new strategic plan has been developed for both Sales of Materials and Scaffold Hire & Services divisions which provides the Directors confidence for an improvement of financial performance in 2024 financial year. The business model of the Scaffold Hire & Services division has been reviewed on its relevance to the rapidly changing environment. The Sales of Materials (Scaffold and Paint Accessories) division will focus on continual product development and service delivery, as well as executing a brand re-launch into the Australian and NZ market.

#### Environmental Regulation and Performance

The Group's operations are not subject to any particular or significant environmental regulation under the law of the Commonwealth or of a State or Territory in Australia. The Group has established procedures whereby compliance with existing environmental regulations and new regulations are monitored continually. This process includes procedures to be followed should an incident adversely impact the environment. The Directors are not aware of any breaches during the period covered by this report.

#### Directors' Meetings

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

| Director's Name          | Board                           |                    | Audit Committee                 |                    | Remuneration Committee          |                    |
|--------------------------|---------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|--------------------|
|                          | Number<br>Eligible to<br>Attend | Number<br>Attended | Number<br>Eligible to<br>Attend | Number<br>Attended | Number<br>Eligible to<br>Attend | Number<br>Attended |
| Michael Emanuel Micallef | 6                               | 6                  | -                               | -                  | -                               | -                  |
| Jonathan William Doy     | 6                               | 6                  | 2                               | 2                  | 1                               | 1                  |
| David John Baird         | 6                               | 4                  | 2                               | 2                  | 1                               | 1                  |
| Jie Ma                   | 6                               | 6                  | 2                               | 2                  | 1                               | 1                  |
| Joseph Screnci           | -                               | -                  | -                               | -                  | -                               | -                  |
| Richard John Abela       | 4                               | 3                  | -                               | -                  | -                               | -                  |

## Remuneration Report (Audited)

### Remuneration Policy

The remuneration policy of the Group has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering incentives based on key performance areas affecting the consolidated entity's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high quality KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- The remuneration policy is to be developed by the Remuneration Committee and approved by the Board after professional advice is sought from independent external consultants when required;
- KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives;
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met; and
- The Remuneration Committee reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must 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 change must be justified by reference to measurable performance criteria. The policy is designed to attract high calibre executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive at a minimum, a superannuation guarantee contribution required by the government, which for the 2023 financial year was 10.5% of the individual's earnings. Individuals may however have chosen to sacrifice part of their salary to increase payments towards their superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews 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.

### Engagement of Remuneration Consultants

During the financial year there were no consultants engaged by the Remuneration Committee to review the elements of KMP remuneration and provide recommendations.

### Performance-Based Remuneration

The KPIs are set annually with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for the Group's expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually with bonuses being awarded depending on the number and difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is 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 KPI has been achieved the Group bases the assessment on audited figures, however where the KPI involves comparison of the Group or a division within the Group to the market, independent reports may be sought from organisations such as Standard & Poors.

For the CEO, Michael Micallef, the performance-based remuneration is set out in the executive employment contract as follows:

|                             |   |
|-----------------------------|---|
| <b>Short Term Incentive</b> | FY2023 STI: 20% of FY2023 EBITDA up to \$1,000,000 and 10% of FY2023 EBITDA over \$1,000,000, with a maximum STI capped at the FAR. 100% of the STI will be paid in cash.<br>FY2024 STI: 10% of FY2024 EBITDA with a maximum STI capped at the FAR for FY2024. 100% of the STI will be paid in cash.<br>FY2025 to FY2027 STI: 5% of each of the financial year EBITDA with a maximum STI capped at the FAR for the respective financial year. 100% of the STI will be paid in cash. |
|-----------------------------|---|

|                            |  |
|----------------------------|--|
| <b>Long Term Incentive</b> | Subject to shareholder approval, eligible to receive LTI delivered as share options:<br>FY2023: 1,000,000 options with an exercise price of \$0.05 per option<br>FY2024: 2,000,000 options with an exercise price of \$0.10 per option<br>FY2025: 3,000,000 options with an exercise price of \$0.15 per option<br>FY2026: 4,000,000 options with an exercise price of \$0.20 per option<br>FY2027: 5,000,000 options with an exercise price of \$0.25 per option<br>The only condition on the LTI is employment with Oldfields on the date of exercise of the option. The options will be granted yearly in each of calendar years 2023 – 2027 within 60 days of the Company's AGM. The options are exercisable between 6 and 24 months after the date of grant. Clawback provisions apply in the event of misconduct by the executive. |
|----------------------------|--|



## Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group.

| Group Key Management Personnel                       | Position Held<br>During and at 30 June 2023   | Contract Details:<br>Duration & Termination          | Current Salary / Fees<br>Incl. Superannuation |
|--|---|--|---|
| Michael Emanuel Micallef<br>(appointed 25 July 2022) | Chief Executive Officer and Managing Director | Duration unspecified.<br>Termination 3 months notice | \$329,392                                     |
| Jonathan William Doy                                 | Independent Non-executive Director            | Duration & termination unspecified                   | \$50,000                                      |
| David John Baird                                     | Independent Non-executive Director            | Duration & termination unspecified                   | \$40,000                                      |
| Jie Ma   | Non-executive Director                        | Duration & termination unspecified                   | \$100,000                                     |
| Joseph Screnci<br>(appointed 3 April 2023)           | Independent Non-executive Director            | Duration & termination unspecified                   | \$10,000                                      |
| Richard John Abela<br>(resigned 5 December 2022)     | Executive Director                            | Duration unspecified.<br>Termination 3 months notice | \$78,721                                      |
| Ka Lung Alan Lee                                     | Company Secretary and Chief Financial Officer | Duration unspecified.<br>Termination 3 months notice | \$215,466                                     |
| Stephanie Levy<br>(appointed 5 September 2022)       | Chief Transformation Officer                  | Duration unspecified.<br>Termination 3 months notice | \$182,492                                     |

The table below illustrates the proportion of remuneration that was performance related and fixed salary/fees.

|                          | Performance<br>Related<br>% | Fixed<br>% | Total<br>% |
|--------------------------|-----------------------------|------------|------------|
| Michael Emanuel Micallef | 53                          | 47         | 100        |
| Jonathan William Doy     | -                           | 100        | 100        |
| David John Baird         | -                           | 100        | 100        |
| Jie Ma                   | -                           | 100        | 100        |
| Joseph Screnci           | -                           | 100        | 100        |
| Richard John Abela       | -                           | 100        | 100        |
| Ka Lung Alan Lee         | -                           | 100        | 100        |
| Stephanie Levy           | -                           | 100        | 100        |

The employment terms and conditions of all KMP are formalised in contracts of employment.

There are no pre-defined termination benefits payable to key management personnel other than accrued leave entitlements. In addition to the above, the Group is committed to pay the CEO and the CFO up to 6 months of base salary each in the event of a successful takeover offer and their positions are terminated or made effectively redundant.

## Remuneration Expenses for Key Management Personnel

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards:

|                                    |      | Short-Term Benefits     |   |                          |                          | Long-Term Benefits    |                  | Post Employment Benefits | Total \$  |
|------------------------------------|------|-------------------------|---|--------------------------|--------------------------|-----------------------|------------------|--------------------------|-----------|
|                                    |      | Cash Salary and Fees \$ | Cash Bonuses & Incentives <sup>1</sup> \$ | Non-Monetary Benefits \$ | in Leave Entitlements \$ | Leave Entitlements \$ | Share Options \$ | Super-annuation \$       |           |
| Executive Directors and Management |      |                         |   |                          |                          |                       |                  |                          |           |
| Michael Micallef                   | 2023 | 304,100                 | 339,000                                   | -                        | 5,443                    | -                     | 42,315           | 25,292                   | 716,150   |
| (appointed on 25 July 2022)        | 2022 | -                       | -   | -                        | -                        | -                     | -                | -                        | -         |
| Ka Lung Alan Lee                   | 2023 | 194,992                 | -   | -                        | 8,340                    | -                     | -                | 20,474                   | 223,806   |
|                                    | 2022 | 182,349                 | -   | -                        | 9,634                    | -                     | -                | 17,460                   | 209,443   |
| Stephanie Levy                     | 2023 | 165,151                 | -   | -                        | 7,698                    | -                     | -                | 17,341                   | 190,190   |
| (appointed on 5 September 2022)    | 2022 | -                       | -   | -                        | -                        | -                     | -                | -                        | -         |
| Richard John Abela                 | 2023 | 74,360                  | -   | -                        | 36,220                   | -                     | -                | 4,361                    | 114,941   |
| (resigned on 5 December 2022)      | 2022 | 258,964                 | -   | -                        | 11,156                   | -                     | -                | 23,536                   | 293,656   |
| Non-Executive Directors            |      |                         |   |                          |                          |                       |                  |                          |           |
| Jonathan William Doy               | 2023 | 45,249                  |   | -                        | -                        | -                     | -                | 4,751                    | 50,000    |
|                                    | 2022 | 39,091                  | -   | -                        | -                        | -                     | -                | 909                      | 40,000    |
| David John Baird                   | 2023 | 40,000                  | -   | -                        | -                        | -                     | -                | -                        | 40,000    |
|                                    | 2022 | 40,000                  | -   | -                        | -                        | -                     | -                | -                        | 40,000    |
| Jie Ma                             | 2023 | 100,000                 | -   | -                        | -                        | -                     | -                | -                        | 100,000   |
|                                    | 2022 | 100,000                 |   | -                        | -                        | -                     | -                | -                        | 100,000   |
| Joseph Screnci                     | 2023 | 10,000                  | -   | -                        | -                        | -                     | -                | -                        | 10,000    |
| (appointed on 3 April 2023)        | 2022 | -                       | -   | -                        | -                        | -                     | -                | -                        | -         |
| 2023 Total KMP                     | 2023 | 933,852                 | 339,000                                   | -                        | 57,701                   | -                     | 42,315           | 72,219                   | 1,445,087 |
| 2022 Total KMP                     | 2022 | 620,404                 | -   | -                        | 20,790                   | -                     | -                | 41,905                   | 683,099   |

<sup>1</sup> Payment structure of the cash bonus and incentives for FY23 is subject to further discussion between the board and Mr Micallef

## Securities Received that are not Performance Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

## Performance-Related Share-based Payments

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.

## Options and Rights Granted as Remuneration

The number of share options in Oldfields Holdings Limited held during the 2023 financial year by each of the KMP of the Group is as follows:

|                          | Number at<br>Beginning of<br>Year | Granted as<br>Remuneration<br>During the<br>Year | Exercise<br>During the<br>Year | Other<br>Changes<br>During the<br>Year | Number at<br>End of Year |
|--------------------------|-----------------------------------|--|--------------------------------|--|--------------------------|
| Michael Emanuel Micallef | -                                 | 1,000,000  | -                              | -                                      | 1,000,000                |
| Jonathan William Doy     | -                                 | -  | -                              | -                                      | -                        |
| David John Baird         | -                                 | -  | -                              | -                                      | -                        |
| Jie Ma                   | -                                 | -  | -                              | -                                      | -                        |
| Joseph Screnci           | -                                 | -  | -                              | -                                      | -                        |
| Richard John Abela       | -                                 | -  | -                              | -                                      | -                        |
| Ka Lung Alan Lee         | -                                 | -  | -                              | -                                      | -                        |
| Stephanie Levy           | -                                 | -  | -                              | -                                      | -                        |
| <b>Total</b>             | -                                 | <b>1,000,000</b>                                 | -                              | -                                      | <b>1,000,000</b>         |

|                          | Grant Date | Vested Date | Exercisable<br>Date | Expiry Date | Fair Value per<br>unit | Number of<br>units | Total Value of<br>Grant | Value<br>Expensed in<br>Current Year |
|--------------------------|------------|-------------|---------------------|-------------|------------------------|--------------------|-------------------------|--------------------------------------|
| Michael Emanuel Micallef | 21-Dec-22  | 22-Dec-22   | 21-Jun-23           | 21-Jun-25   | \$ 0.0423              | 1,000,000          | \$ 42,315               | \$ 42,315                            |
| Jonathan William Doy     |            |             |                     |             |                        | -                  | -                       | -                                    |
| David John Baird         |            |             |                     |             |                        | -                  | -                       | -                                    |
| Jie Ma                   |            |             |                     |             |                        | -                  | -                       | -                                    |
| Joseph Screnci           |            |             |                     |             |                        | -                  | -                       | -                                    |
| Richard John Abela       |            |             |                     |             |                        | -                  | -                       | -                                    |
| Ka Lung Alan Lee         |            |             |                     |             |                        | -                  | -                       | -                                    |
| Stephanie Levy           |            |             |                     |             |                        | -                  | -                       | -                                    |
| <b>Total</b>             |            |             |                     |             |                        | <b>1,000,000</b>   | <b>\$ 42,315</b>        | <b>\$ 42,315</b>                     |

All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the Executive employment contract. Options vest based on the provision of services at the time of grant and the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the 6 months from the date of grant. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for the directors and other key management personnel as part of the compensation during the year ended 30 June 2023 are set out below:

|                          | Value of<br>options<br>granted<br>during the<br>year | Value of<br>options<br>exercised<br>during the<br>year | Value of<br>options<br>lapsed during<br>the year | Remuneration<br>consisting of<br>options for<br>the year |
|--------------------------|--|--|--|--|
| Michael Emanuel Micallef | \$ 43,215  | \$ -   | \$ -   | 6%   |
| Jonathan William Doy     | -  | -  | -  | -  |
| David John Baird         | -  | -  | -  | -  |
| Jie Ma                   | -  | -  | -  | -  |
| Joseph Screnci           | -  | -  | -  | -  |
| Richard John Abela       | -  | -  | -  | -  |
| Ka Lung Alan Lee         | -  | -  | -  | -  |
| Stephanie Levy           | -  | -  | -  | -  |

## Shares held by Key Management Personnel

The number of ordinary shares in Oldfields Holdings Limited held during the 2023 financial year by each of the KMP of the Group is as follows:

|                          | Number at<br>Beginning of<br>Year | Granted as<br>Remuneration<br>During the<br>Year | Issued on<br>Exercise of<br>Options<br>During the<br>Year | Other<br>Changes<br>During the<br>Year | Number at<br>End of Year |
|--------------------------|-----------------------------------|--|---|--|--------------------------|
| Michael Emanuel Micallef | -                                 | -  | -   | -                                      | -                        |
| Jonathan William Doy     | -                                 | -  | -   | -                                      | -                        |
| David John Baird         | 235,000                           | -  | -   | 907,799                                | 1,142,799                |
| Jie Ma*                  | 85,530,329                        | -  | -   | -                                      | 85,530,329               |
| Joseph Screnci           | -                                 | -  | -   | 2,000,000                              | 2,000,000                |
| Richard John Abela       | 201,000                           | -  | -   | -                                      | 201,000                  |
| Ka Lung Alan Lee         | -                                 | -  | -   | -                                      | -                        |
| Stephanie Levy           | -                                 | -  | -   | -                                      | -                        |
| <b>Total</b>             | <b>85,966,329</b>                 | -  | -   | <b>2,907,799</b>                       | <b>88,874,128</b>        |

\* holds 50% of the units in the EQM Holdings Unit Trust. EQM Holdings Pty Ltd atf the EQM Holdings Unit Trust holds 85,530,329 ordinary shares



## Other Transactions with Key Management Personnel

There were no other transactions conducted between the Group and KMP or their related parties, other than those disclosed above or in note 29 relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

***(This concludes the Remuneration Report which has been audited)***

## Indemnifying Officers

During or since the end of the financial year, 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 all past, present and future Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

## 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 year.

## 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.

## Rounding

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

## 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 year 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:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Details of the amount paid to the auditors of the Company, BDO Audit Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out in note 28 to the financial statements.

## Auditor's Independence Declaration

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

BDO continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



**Michael Micallef**

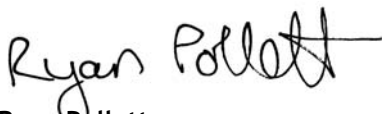
Dated: 31 August 2023

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

As lead auditor of Oldfields Holdings Limited for the year ended 30 June 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 31 August 2023



# Financial Statements

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## General Information

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

*The 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. It's 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 financial report. The financial report was authorised for issue with a resolution of Directors on 31 August, 2023. The Directors have the power to amend and reissue the financial report.*

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

|   | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---|------|----------------|----------------|
| Sales revenue   | 4    | 37,641         | 24,474         |
| Cost of sales   |      | (21,096)       | (15,799)       |
| Gross profit  |      | 16,545         | 8,675          |
| Other income  | 4    | 2,284          | 586            |
| <b>Expenses:</b>  |      |                |                |
| Depreciation and amortisation expense   | 5    | (405)          | (600)          |
| Depreciation and amortisation of right-of-use assets  | 5    | (821)          | (1,602)        |
| Other expenses from ordinary activities:  |      |                |                |
| Sales and distribution expenses   |      | (10,081)       | (6,227)        |
| Marketing expenses  |      | (62)           | (116)          |
| Occupancy expenses  |      | (1,546)        | (320)          |
| Administrative expenses   |      | (4,807)        | (3,557)        |
| Finance costs   | 5    | (1,778)        | (654)          |
| <b>Loss before income tax</b>   |      | <b>(671)</b>   | <b>(3,815)</b> |
| Tax expense   | 6    | (360)          | (219)          |
| <b>Net loss from continuing operations</b>  |      | <b>(1,031)</b> | <b>(4,034)</b> |
| <b>Other comprehensive income:</b>  |      |                |                |
| Items that will not be reclassified subsequently to profit or loss:                               |      |                |                |
| Exchange differences on translating foreign operations, net of tax                                |      | (155)          | 92             |
| <b>Other comprehensive income for the year, net of tax</b>  |      | <b>(155)</b>   | <b>92</b>      |
| <b>Total comprehensive income for the year</b>  |      | <b>(1,186)</b> | <b>(3,942)</b> |
| Net loss for the year attributable to:  |      |                |                |
| Members of the parent entity  |      | (1,456)        | (4,296)        |
| Non-controlling interest  |      | 425            | 262            |
| <b>Total net loss for the year</b>  |      | <b>(1,031)</b> | <b>(4,034)</b> |
| Comprehensive income attributable to:   |      |                |                |
| Members of the parent entity  |      | (1,611)        | (4,204)        |
| Non-controlling interest  |      | 425            | 262            |
| <b>Total comprehensive income for the year</b>  |      | <b>(1,186)</b> | <b>(3,942)</b> |
|   | Note | Cents          | Cents          |
| <b>Earnings per share from continuing operation attributable to members of the parent entity:</b> |      |                |                |
| Basis earnings per share  | 22   | (0.810)        | (2.562)        |
| Diluted earnings per share  | 22   | (0.810)        | (2.562)        |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

As at 30 June 2023

|                                      | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                        |      |                |                |
| <b>CURRENT ASSETS</b>                |      |                |                |
| Cash and cash equivalents            | 7    | 1,427          | 1,426          |
| Trade and other receivables          | 8    | 8,098          | 6,518          |
| Inventories                          | 9    | 3,913          | 3,740          |
| Current tax assets                   | 6    | -              | 95             |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>13,438</b>  | <b>11,779</b>  |
| <b>NON-CURRENT ASSETS</b>            |      |                |                |
| Property, plant and equipment        | 10   | 4,308          | 2,606          |
| Right-of-use assets                  | 11   | 2,550          | 3,400          |
| Intangible assets                    | 12   | 960            | 1,001          |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>7,818</b>   | <b>7,007</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>21,256</b>  | <b>18,786</b>  |
| <b>LIABILITIES</b>                   |      |                |                |
| <b>CURRENT LIABILITIES</b>           |      |                |                |
| Trade and other payables             | 13   | 7,634          | 7,841          |
| Borrowings                           | 14   | 4,417          | 4,308          |
| Lease liabilities                    | 15   | 792            | 794            |
| Current tax liabilities              | 6    | 111            | -              |
| Employees benefit obligations        | 16   | 893            | 993            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>13,847</b>  | <b>13,936</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |      |                |                |
| Trade and other payables             | 13   | 3,011          | -              |
| Borrowings                           | 14   | -              | -              |
| Lease liabilities                    | 15   | 1,976          | 2,961          |
| Deferred tax liabilities             | 6    | 115            | 198            |
| Employees benefit obligations        | 16   | 97             | 75             |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>5,199</b>   | <b>3,234</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>19,046</b>  | <b>17,170</b>  |
| <b>NET ASSETS</b>                    |      | <b>2,210</b>   | <b>1,616</b>   |
| <b>EQUITY</b>                        |      |                |                |
| Issued capital                       | 19   | 28,157         | 26,086         |
| Warrant reserve                      | 20   | 692            | 692            |
| Share options reserve                | 20   | 42             | -              |
| Other reserves                       | 20   | (107)          | 84             |
| Accumulated loss                     | 24   | (27,481)       | (26,061)       |
| Parent interest                      |      | 1,303          | 801            |
| Non-controlling interest             | 24   | 907            | 815            |
| <b>TOTAL EQUITY</b>                  |      | <b>2,210</b>   | <b>1,616</b>   |

The accompanying notes form part of these financial statements.



# Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

|   | Note | Issued<br>Capital<br>\$'000 | Warrant<br>Reserve<br>\$'000 | Share<br>Options<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Subtotal<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 | Total<br>\$'000 |
|---|------|-----------------------------|------------------------------|---------------------------------------|-----------------------------|---------------------------------|--------------------|--|-----------------|
| <b>Balance at 1 July 2022</b>                               |      | 26,086                      | 692                          | -                                     | 84                          | (26,061)                        | 801                | 815  | 1,616           |
| <b>Comprehensive income</b>                                 |      |                             |                              |                                       |                             |                                 |                    |  |                 |
| Profit (loss) for the year                                  |      | -                           | -                            | -                                     | -                           | (1,456)                         | (1,456)            | 425  | (1,031)         |
| Other comprehensive income for the year                     | 20   | -                           | -                            | -                                     | (191)                       | 36                              | (155)              | -  | (155)           |
| <b>Total comprehensive income for the year</b>              |      | -                           | -                            | -                                     | (191)                       | (1,420)                         | (1,611)            | 425  | (1,186)         |
| <b>Transactions with owners in their capacity as owners</b> |      |                             |                              |                                       |                             |                                 |                    |  |                 |
| Shares issued during the year                               | 19   | 2,071                       | -                            | -                                     | -                           | -                               | 2,071              | -  | 2,071           |
| Warrants issued   | 20   | -                           | -                            | -                                     | -                           | -                               | -                  | -  | -               |
| Share based payments  | 20   | -                           | -                            | 42                                    | -                           | -                               | 42                 | -  | 42              |
| Dividends provided for or paid                              | 21   | -                           | -                            | -                                     | -                           | -                               | -                  | (333)                                      | (333)           |
| <b>Total transactions with owners and other transfers</b>   |      | 2,071                       | -                            | 42                                    | -                           | -                               | 2,113              | (333)                                      | 1,780           |
| <b>Balance at 30 June 2023</b>                              |      | <b>28,157</b>               | <b>692</b>                   | <b>42</b>                             | <b>(107)</b>                | <b>(27,481)</b>                 | <b>1,303</b>       | <b>907</b>                                 | <b>2,210</b>    |

For the year ended 30 June 2022

|   | Note | Issued<br>Capital<br>\$'000 | Warrant<br>Reserve<br>\$'000 | Share<br>Options<br>Reserve<br>\$'000 | Other<br>Reserves<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Subtotal<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 | Total<br>\$'000 |
|---|------|-----------------------------|------------------------------|---------------------------------------|-----------------------------|---------------------------------|--------------------|--|-----------------|
| <b>Balance at 1 July 2021</b>                               |      | 26,086                      | -                            | -                                     | (8)                         | (21,765)                        | 4,313              | 742  | 5,055           |
| <b>Comprehensive income</b>                                 |      |                             |                              |                                       |                             |                                 |                    |  |                 |
| Profit (loss) for the year                                  |      | -                           | -                            | -                                     | -                           | (4,296)                         | (4,296)            | 262  | (4,034)         |
| Other comprehensive income for the year                     | 20   | -                           | -                            | -                                     | 92                          | -                               | 92                 | -  | 92              |
| <b>Total comprehensive income for the year</b>              |      | -                           | -                            | -                                     | 92                          | (4,296)                         | (4,204)            | 262  | (3,942)         |
| <b>Transactions with owners in their capacity as owners</b> |      |                             |                              |                                       |                             |                                 |                    |  |                 |
| Shares issued during the year                               | 19   | -                           | -                            | -                                     | -                           | -                               | -                  | -  | -               |
| Warrants issued   | 20   | -                           | 692                          | -                                     | -                           | -                               | 692                | -  | 692             |
| Dividends provided for or paid                              | 21   | -                           | -                            | -                                     | -                           | -                               | -                  | (189)                                      | (189)           |
| <b>Total transactions with owners and other transfers</b>   |      | -                           | 692                          | -                                     | -                           | -                               | 692                | (189)                                      | 503             |
| <b>Balance at 30 June 2022</b>                              |      | <b>26,086</b>               | <b>692</b>                   | <b>-</b>                              | <b>84</b>                   | <b>(26,061)</b>                 | <b>801</b>         | <b>815</b>                                 | <b>1,616</b>    |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2023

|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>  |      |                |                |
| Receipts from customers  |      | 39,666         | 24,252         |
| Payments to suppliers and employees                                |      | (38,732)       | (25,984)       |
|  |      | 934            | (1,732)        |
| Interest received  |      | 10             | -              |
| Other income received  |      | 2,274          | 586            |
| Finance costs  |      | (1,605)        | (621)          |
| Income tax paid  |      | (236)          | (304)          |
| <b>Net cash provided by (used in) operating activities</b>         | 7    | <b>1,377</b>   | <b>(2,071)</b> |
| <b>INVESTING ACTIVITIES</b>  |      |                |                |
| Purchase of property, plant and equipment                          | 10   | (2,078)        | (241)          |
| Payments for intangibles   | 12   | (13)           | (11)           |
| <b>Net cash used in investing activities</b>                       |      | <b>(2,091)</b> | <b>(252)</b>   |
| <b>FINANCING ACTIVITIES</b>  |      |                |                |
| Proceeds from borrowings   |      | 907            | 4,285          |
| Proceeds from issue of shares                                      | 19   | 2,071          | -              |
| Repayment of borrowings  |      | (972)          | (400)          |
| Loans from related party   |      |                |                |
| - proceeds from borrowings   |      | -              | 469            |
| - repayments made  |      | -              | (469)          |
| Lease repayments   |      | (958)          | (969)          |
| Dividends paid by controlled entities to non-controlling interests | 21   | (333)          | (189)          |
| <b>Net cash provided by (used in) financing activities</b>         |      | <b>715</b>     | <b>2,727</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>        |      | <b>1</b>       | <b>404</b>     |
| Net increase (decrease) in cash and cash equivalents               |      | 1              | 404            |
| Cash and cash equivalents at beginning of financial year           |      | 1,426          | 1,022          |
| <b>Cash and cash equivalents at end of financial year</b>          | 7    | <b>1,427</b>   | <b>1,426</b>   |

The accompanying notes form part of these financial statements.

# Notes to the Consolidated Financial Statements

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# Notes to the Consolidated Financial Statements

## 1. General Information and Statement of Compliance

These consolidated financial statements and notes represent those of Oldfields Holdings Limited and Controlled Entities (the “Consolidated Group” or “Group”). The separate financial statements of the Parent Entity, Oldfields Holdings Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

## 2. Summary of Significant Accounting Policies

### 2.1 Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

### 2.2 Basis of Preparation

The 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.

Where applicable, comparative figures are adjusted to conform to changes in classification and presentation for the current financial year.

### 2.3 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 year ended 30 June 2023, the Group incurred a net loss after tax of \$1.0M (30 June 2022: \$4.0M), net cash inflow from operating activities of \$1.38M (2022: outflow of \$2.07M) and was in a net current liability position of \$0.4M (30 June 2022: \$2.16M). Within the net current liability position is a loan from Pure Asset Management ('PURE') of \$4.0M, 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 30 August 2023, a waiver and amendment 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
- 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 financial results for the year to June 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 equity funding from shareholders previously, including raising \$0.53M of equity from an entitlement offer in November 2022, and \$1.45M from a share placement in February 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.

### 2.4 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 consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional currency.

### 2.5 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 financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

### 2.6 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. Judgements, estimates and assumptions which are material to the Group's financial report are discussed below and in the following notes:

- |                                 |  |
|---------------------------------|--|
| - Revenue and other income      | - Goodwill and other intangible assets |
| - Income taxes                  | - Borrowings                           |
| - Trade and other receivables   | - Lease liabilities                    |
| - Inventories                   | - Provisions                           |
| - Property, plant and equipment | - Warrants reserve                     |
| - Share-based payment           |  |

## 2.7 Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Oldfields Holdings Limited and all of the subsidiaries. Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Where necessary, accounting policies of subsidiaries are changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'Non-Controlling Interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

## 2.8 Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities assumed, including contingent liabilities, are recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in the profit or loss and other comprehensive income statement when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

## 2.9 Foreign Currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- (i) assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- (ii) income and expenses are translated at average exchange rates for the period; and
- (iii) retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

## 2.10 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.11 Leases

### The Group as a Lessee

The Group makes the use of leading arrangements principally for the provision of the warehouse/ office space, forklift equipment, motor vehicles and printers. The group does not enter into sale and leaseback arrangements.

All the leases are negotiated on an individual basis and contain a wide variety of different term and conditions such as purchase options and escalation clauses. The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Only motor vehicle lease contracts contain both lease and non-lease components. These non-lease components are usually associated with servicing and repair contract.

### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease.

The incremental borrowing rate is the estimated rate that the Group would have to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined.

The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under lease can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review.

The measurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.

The right-of-use asset is adjusted for all other lease modifications. The Group has elected to account for low-value assets using the practical expedients. These leases related to mobile IT devices such as computer monitors, laptops and mobile telephones. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **The Group as a Lessor**

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **2.12 Financial Instruments**

### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Classification and Subsequent Measurement**

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- Held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at 30 June 2023, the Group's financial assets consist of cash and cash equivalents and trade and other receivables which are measured at amortised cost in accordance with the above accounting policy.

Non-derivative financial liabilities are initially measured at fair value and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

As at 30 June 2023, the Group's financial liabilities consist of trade and other payables, finance lease and borrowings liabilities which are measured at amortised cost in accordance with the above accounting policy.

## **2.13 Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## **2.14 Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

## **2.15 Other Accounting Policies**

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.



### 3. 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.

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 scaffold and access solutions to the building maintenance and construction industries.

#### 3.1 Operating Segment Performance by Department

##### Year ended 30 June 2023

|  | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|--|--------------------------------|-----------------------|--|-----------------|
| <b>Revenue</b>                                       |                                |                       |  |                 |
| Sale of goods  | 7,195                          | 7,463                 | -  | 14,658          |
| Hire and erection revenue                            | -                              | 22,983                | -  | 22,983          |
| <b>Total segment revenue</b>                         | <b>7,195</b>                   | <b>30,446</b>         | <b>-</b>   | <b>37,641</b>   |
| Government grants and subsidies                      | -                              | 102                   | -  | 102             |
| Interest income                                      | -                              | -                     | 10   | 10              |
| Other income   | 18                             | 2,148                 | 6  | 2,172           |
| <b>Total other revenue</b>                           | <b>18</b>                      | <b>2,250</b>          | <b>16</b>  | <b>2,284</b>    |
| <b>Total revenue and other income</b>                | <b>7,213</b>                   | <b>32,696</b>         | <b>16</b>  | <b>39,925</b>   |
| <b>Adjusted segment EBITDA</b>                       | <b>50</b>                      | <b>4,406</b>          | <b>(2,054)</b>   | <b>2,402</b>    |
| Depreciation and amortisation expense                | (8)                            | (330)                 | (67)   | (405)           |
| Depreciation and amortisation of right-of-use assets | (81)                           | (719)                 | (21)   | (821)           |
| Interest income                                      | -                              | -                     | 10   | 10              |
| Finance costs  | -                              | -                     | (1,778)  | (1,778)         |
| Unrealised foreign exchange loss                     | -                              | -                     | (79)   | (79)            |
| <b>Profit (loss) before income tax</b>               | <b>(39)</b>                    | <b>3,357</b>          | <b>(3,989)</b>   | <b>(671)</b>    |
| Income tax expense                                   | -                              | (360)                 | -  | (360)           |
| <b>Profit (loss) after income tax</b>                | <b>(39)</b>                    | <b>2,997</b>          | <b>(3,989)</b>   | <b>(1,031)</b>  |

##### Year ended 30 June 2022

|  | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|--|--------------------------------|-----------------------|--|-----------------|
| <b>Revenue</b>                                       |                                |                       |  |                 |
| Sale of goods  | 6,287                          | 3,087                 | -  | 9,374           |
| Hire and erection revenue                            | -                              | 15,100                | -  | 15,100          |
| <b>Total segment revenue</b>                         | <b>6,287</b>                   | <b>18,187</b>         | <b>-</b>   | <b>24,474</b>   |
| Government grants and subsidies                      | 4                              | -                     | 326  | 330             |
| Other income   | 1                              | 246                   | 9  | 256             |
| <b>Total other revenue</b>                           | <b>5</b>                       | <b>246</b>            | <b>335</b>   | <b>586</b>      |
| <b>Total revenue and other income</b>                | <b>6,292</b>                   | <b>18,433</b>         | <b>335</b>   | <b>25,060</b>   |
| <b>Adjusted segment EBITDA</b>                       | <b>(39)</b>                    | <b>(223)</b>          | <b>(692)</b>   | <b>(954)</b>    |
| Depreciation and amortisation expense                | (8)                            | (536)                 | (56)   | (600)           |
| Depreciation and amortisation of right-of-use assets | (196)                          | (1,232)               | (174)  | (1,602)         |
| Finance costs  | -                              | -                     | (654)  | (654)           |
| Unrealised foreign exchange loss                     | -                              | -                     | (5)  | (5)             |
| <b>Profit (loss) before income tax</b>               | <b>(243)</b>                   | <b>(1,991)</b>        | <b>(1,581)</b>   | <b>(3,815)</b>  |
| Income tax expense                                   | -                              | (219)                 | -  | (219)           |
| <b>Profit (loss) after income tax</b>                | <b>(243)</b>                   | <b>(2,210)</b>        | <b>(1,581)</b>   | <b>(4,034)</b>  |

### 3.2 Operating Segment Performance by Geographical Location

#### Year ended 30 June 2023

|  | Australia<br>\$'000 | New Zealand<br>\$'000 | China<br>\$'000 | Total<br>\$'000 |
|--|---------------------|-----------------------|-----------------|-----------------|
| <b>Revenue</b>                                       |                     |                       |                 |                 |
| Sale of goods  | 14,292              | 230                   | 136             | 14,658          |
| Hire and erection revenue                            | 22,983              | -                     | -               | 22,983          |
| <b>Total segment revenue</b>                         | <b>37,275</b>       | <b>230</b>            | <b>136</b>      | <b>37,641</b>   |
| Government grants and subsidies                      | -                   | -                     | 102             | 102             |
| Interest income                                      | 10                  | -                     | -               | 10              |
| Other income   | 2,170               | -                     | 2               | 2,172           |
| <b>Total other revenue</b>                           | <b>2,180</b>        | <b>-</b>              | <b>104</b>      | <b>2,284</b>    |
| <b>Total revenue and other income</b>                | <b>39,455</b>       | <b>230</b>            | <b>240</b>      | <b>39,925</b>   |
| <b>Adjusted segment EBITDA</b>                       | <b>2,637</b>        | <b>3</b>              | <b>(250)</b>    | <b>2,390</b>    |
| Depreciation and amortisation expense                | (343)               | (4)                   | (58)            | (405)           |
| Depreciation and amortisation of right-of-use assets | (608)               | (33)                  | (180)           | (821)           |
| Interest income                                      | 10                  | -                     | -               | 10              |
| Finance costs  | (1,703)             | (9)                   | (66)            | (1,778)         |
| Unrealised foreign exchange loss                     | (79)                | -                     | -               | (79)            |
| <b>Profit (loss) before income tax</b>               | <b>(86)</b>         | <b>(43)</b>           | <b>(554)</b>    | <b>(683)</b>    |
| Income tax expense                                   | (360)               | -                     | -               | (360)           |
| <b>Profit (loss) after income tax</b>                | <b>(446)</b>        | <b>(43)</b>           | <b>(554)</b>    | <b>(1,043)</b>  |

#### Year ended 30 June 2022

|  | Australia<br>\$'000 | New Zealand<br>\$'000 | China<br>\$'000 | Total<br>\$'000 |
|--|---------------------|-----------------------|-----------------|-----------------|
| <b>Revenue</b>                                       |                     |                       |                 |                 |
| Sale of goods  | 9,038               | 218                   | 118             | 9,374           |
| Hire and erection revenue                            | 15,100              | -                     | -               | 15,100          |
| <b>Total segment revenue</b>                         | <b>24,138</b>       | <b>218</b>            | <b>118</b>      | <b>24,474</b>   |
| Government grants and subsidies                      | 330                 | -                     | -               | 330             |
| Interest income                                      | (4)                 | 4                     | -               | -               |
| Other income   | 246                 | -                     | 10              | 256             |
| <b>Total other revenue</b>                           | <b>572</b>          | <b>4</b>              | <b>10</b>       | <b>586</b>      |
| <b>Total revenue and other income</b>                | <b>24,710</b>       | <b>222</b>            | <b>128</b>      | <b>25,060</b>   |
| <b>Adjusted segment EBITDA</b>                       | <b>(664)</b>        | <b>(37)</b>           | <b>(253)</b>    | <b>(954)</b>    |
| Depreciation and amortisation expense                | (546)               | (2)                   | (52)            | (600)           |
| Depreciation and amortisation of right-of-use assets | (1,312)             | (31)                  | (259)           | (1,602)         |
| Finance costs  | (579)               | (5)                   | (70)            | (654)           |
| Unrealised foreign exchange loss                     | (5)                 | -                     | -               | (5)             |
| <b>Profit (loss) before income tax</b>               | <b>(3,106)</b>      | <b>(75)</b>           | <b>(634)</b>    | <b>(3,815)</b>  |
| Income tax expense                                   | (219)               | -                     | -               | (219)           |
| <b>Profit (loss) after income tax</b>                | <b>(3,325)</b>      | <b>(75)</b>           | <b>(634)</b>    | <b>(4,034)</b>  |

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

During the FY23 year, revenue from a major customer was \$12.8M (2022: \$1.3M), which represents 32% (2022: 5%) of the Group's total revenue.

Corporate charges are allocated to reporting segments based on the 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.

### 3.3 Operating Segment Assets and Liabilities by Department

#### As at 30 June 2023

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

#### As at 30 June 2022

|                           | Consumer<br>Products<br>\$'000 | Scaffolding<br>\$'000 | Intersegment<br>Eliminations/<br>Unallocated<br>\$'000 | Total<br>\$'000 |
|---------------------------|--------------------------------|-----------------------|--|-----------------|
| Segment assets            | 3,055                          | 16,669                | (938)  | 18,786          |
| Segment liabilities       | (4,192)                        | (7,423)               | (5,555)  | (17,170)        |
| <b>Segment net assets</b> | <b>(1,137)</b>                 | <b>9,246</b>          | <b>(6,493)</b>   | <b>1,616</b>    |

### 3.4 Operating Segment Assets and Liabilities by Geographical Location

#### As at 30 June 2023

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

#### As at 30 June 2022

|                           | Australia<br>\$'000 | New Zealand<br>\$'000 | China<br>\$'000 | Total<br>\$'000 |
|---------------------------|---------------------|-----------------------|-----------------|-----------------|
| Segment assets            | 14,061              | 462                   | 4,263           | 18,786          |
| Segment liabilities       | (12,658)            | (639)                 | (3,873)         | (17,170)        |
| <b>Segment net assets</b> | <b>1,403</b>        | <b>(177)</b>          | <b>390</b>      | <b>1,616</b>    |

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.

## 4. Revenue and Other Income

The Group derives the following types of revenue:

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Revenue from contracts with customers</b>                     |                |                |
| Sale of goods  | 14,658         | 9,374          |
| Revenue from services  | 18,800         | 10,048         |
| <b>Revenue from operating leases</b>                             |                |                |
| Hire of equipment  | 4,183          | 5,052          |
| <b>Total sales revenue</b>                                       | <b>37,641</b>  | <b>24,474</b>  |
| <b>Other income</b>  |                |                |
| Government grants and subsidies                                  | 102            | 330            |
| Interest income  | 10             | -              |
| Other income #   | 2,172          | 256            |
| <b>Total other income</b>  | <b>2,284</b>   | <b>586</b>     |
| <b>Total revenue and other income from continuing operations</b> | <b>39,925</b>  | <b>25,060</b>  |

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

### 4.1 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 of 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.



#### 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

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 recognized 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.

#### Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group satisfies all attached conditions. The Company has received Job Saver and Job Keeper grants which have been reported under other income on the consolidated statement of profit or loss.

#### Other income

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

## 5. Expenses

Profit before income tax includes the following specific expenses by nature:

|   | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---|------|----------------|----------------|
| Inventory recognised as an expense during the year    |      | 14,024         | 16,243         |
| Depreciation expense on property, plant and equipment | 10   | 351            | 556            |
| Depreciation expense on right-of-use assets           | 11   | 821            | 1,602          |
| Amortisation expense                                  | 12   | 54             | 44             |
| Employee benefits expense                             |      | 11,870         | 10,859         |
| Finance costs:  |      |                |                |
| Interest paid to related parties                      | 30   | -              | 35             |
| Interest paid to unrelated parties                    |      | 1,430          | 372            |
| Hire purchase charges                                 |      | 63             | 54             |
| Facility fee  |      | 150            | 29             |
| Interest on operating leases                          |      | 135            | 164            |
|   |      | 1,778          | 654            |

## 6. Income Taxes

|  | 2023<br>\$'000         | 2022<br>\$'000         |
|--|------------------------|------------------------|
| <b>Income tax expense recognised in the income statement</b>                                   |                        |                        |
| <i>Current tax</i>   |                        |                        |
| Current tax on profits for the year  | 443                    | 219                    |
| <b>Total current tax expense</b>   | <b>443</b>             | <b>219</b>             |
| <i>Deferred income tax</i>   |                        |                        |
| Increase in deferred tax assets  | (9)                    | (13)                   |
| Decrease in deferred tax liabilities   | (74)                   | 13                     |
| <b>Total deferred tax expense</b>  | <b>(83)</b>            | <b>-</b>               |
| <b>Total income tax expense</b>  | <b>360</b>             | <b>219</b>             |
| <b>Tax reconciliation</b>  | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| (Loss) profit before income tax expense  | <b>(671)</b>           | <b>(3,815)</b>         |
| Tax at the Australian tax rate of 25% (2022: 25%)  | (168)                  | (954)                  |
| <i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i> |                        |                        |
| Non-allowable items  | 4                      | 5                      |
| Revaluation of derivative element of DSLN not deductible                                       | 43                     | 8                      |
|  | <b>(121)</b>           | <b>(941)</b>           |
| <i>Less tax effect of:</i>   |                        |                        |
| Net tax effect loss (profit) from overseas operations  | 149                    | 177                    |
| Current year tax loss not brought to account   | 332                    | 983                    |
| <b>Income tax expense</b>  | <b>360</b>             | <b>219</b>             |

## 6. Income Taxes (continued)

|   | 2023<br>\$'000         | 2022<br>\$'000         |
|---|------------------------|------------------------|
| <b>Unrecognised tax assets</b>  |                        |                        |
| <b>Tax losses</b>   |                        |                        |
| <i>Tax losses for which no deferred tax asset has been recognised</i> |                        |                        |
| Operating losses  | 15,971                 | 15,639                 |
| Capital losses  | 273                    | 273                    |
| <b>Potential tax benefit @ 25% (2022: 25%)</b>                        | <b>4,061</b>           | <b>3,978</b>           |
|   |                        |                        |
| <b>Current tax assets</b>   | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Income tax assets   | -                      | 95                     |
| <b>Total current tax assets</b>                                       | <b>-</b>               | <b>95</b>              |
|   |                        |                        |
| <b>Current tax liabilities</b>  | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Income tax liabilities  | 111                    | -                      |
| <b>Total current tax liabilities</b>                                  | <b>111</b>             | <b>-</b>               |
|   |                        |                        |
| <b>Deferred tax liability in the statement of financial position</b>  | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Employee benefits   | (34)                   | (34)                   |
| Expected credit losses  | 30                     | 30                     |
| Fixed assets  | (111)                  | (185)                  |
| Other   | -                      | (9)                    |
| <b>Net deferred tax liabilities</b>                                   | <b>(115)</b>           | <b>(198)</b>           |

### 6.1 Recognition and Measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Tax Consolidation

Oldfields Holdings Limited and its wholly-owned subsidiaries have implemented the tax consolidation legislation. As a consequence these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

### 6.2 Key Judgements, Estimates and Assumptions: Unrecognised Deferred Tax Benefits

The Group has unrecognised benefits relating to carried forward losses. The unused tax losses were incurred by the Australian tax consolidated group. The losses are currently not recognised as it is not sufficiently probable that the Group will generate taxable income in the foreseeable future that will allow the losses to be utilised. The availability of the tax losses is also subject to the Group satisfying either the continuity of ownership or same business test.

## 7. Cash and Cash Equivalents

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| Cash on hand                           | 1              | 1              |
| Cash at bank                           | 1,416          | 1,309          |
| Short term deposits                    | 10             | 116            |
| <b>Total cash and cash equivalents</b> | <b>1,427</b>   | <b>1,426</b>   |

## 7. Cash and Cash Equivalents (continued)

| Reconciliation to statement of cash flows   | 2023<br>\$'000         | 2022<br>\$'000         |
|---|------------------------|------------------------|
| Cash and cash equivalents   | 1,427                  | 1,426                  |
| <b>Balances per statement of cash flows</b>   | <b>1,427</b>           | <b>1,426</b>           |
| <b>Reconciliation of cash flow from operating activities with loss after income tax</b> | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Loss after income tax   | (1,031)                | (4,034)                |
| <i>Adjustment for non cash items:</i>   |                        |                        |
| Depreciation and amortisation   | 1,226                  | 2,202                  |
| Net (gains) losses on disposal of property, plant and equipment                         | -                      | -                      |
| Unwinding of discount on deferred senior loan note                                      | 173                    | -                      |
| Write off of plant and equipment  | 25                     | (373)                  |
| Amortisation on equity component of warrants  | -                      | 33                     |
| Stock adjustments   | 1                      | (24)                   |
| <i>Changes in operating assets and liabilities:</i>                                     |                        |                        |
| (Increase) decrease in trade and other receivables                                      | (1,580)                | (2,429)                |
| (Increase) decrease in inventories  | (287)                  | (388)                  |
| Increase (decrease) in trade payables and accruals                                      | 2,804                  | 2,938                  |
| Increase (decrease) in income taxes payable   | 207                    | (71)                   |
| Increase (decrease) in deferred taxes payable   | (83)                   | (13)                   |
| Increase (decrease) in provisions   | (78)                   | 88                     |
| <b>Cash flow from operating activities</b>  | <b>1,377</b>           | <b>(2,071)</b>         |

### 7.1 Recognition and Measurement

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position, but included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

## 8. Trade and Other Receivables

|  | 2023<br>\$'000         | 2022<br>\$'000         |
|--|------------------------|------------------------|
| <b>CURRENT</b>                                     |                        |                        |
| Trade receivables                                  | 6,590                  | 5,660                  |
| Expected credit losses                             | (558)                  | (691)                  |
| Net trade receivables                              | 6,032                  | 4,969                  |
| Other receivables                                  | 520                    | 568                    |
| Prepayments  | 1,546                  | 981                    |
| <b>Total current trade and other receivables</b>   | <b>8,098</b>           | <b>6,518</b>           |
| <b>Trade receivables past due but not impaired</b> | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Up to 3 months                                     | 1,418                  | 2,077                  |
| 3 to 6 months                                      | 91                     | 98                     |
| Over 6 months                                      | -                      | -                      |
| <b>Total</b>                                       | <b>1,509</b>           | <b>2,175</b>           |

In using practical expedient, the Group uses its historical experiences, external indicators, and forward-looking information to calculate the ECL using a provision matrix. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for expected credit loss by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. Trade receivables that were past due relate to a number of independent customers for whom there is no recent history of default.

### 8.1 Expected Credit Loss and Risk Exposure

| Ageing analysis of impaired trade receivables            | 2023<br>\$'000         | 2022<br>\$'000         |
|--|------------------------|------------------------|
| 1 to 3 months  | 472                    | 3                      |
| 4 to 6 months  | -                      | 38                     |
| Over 6 months  | 86                     | 650                    |
| <b>Total</b>   | <b>558</b>             | <b>691</b>             |
| <b>Movement in expected credit losses</b>                | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Opening balances   | 691                    | 597                    |
| Expected credit losses recognised during the year        | 19                     | 165                    |
| Receivables written off during the year as uncollectable | (152)                  | (71)                   |
| <b>Closing balance</b>                                   | <b>558</b>             | <b>691</b>             |

### 8.1 Expected Credit Loss and Risk Exposure (continued)

#### Other Receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

#### Credit Risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within note 9. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

### 8.2 Recognition and Measurement

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### 8.3 Key Judgements, Estimates and Assumptions: Provision for Impairment of Receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

## 9. Inventories

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| Raw materials - at cost                  | 333            | 716            |
| Work in progress - at cost               | 121            | 214            |
| Finished goods - at net realisable value | 3,118          | 2,389          |
| Goods in transit - at cost               | 439            | 442            |
| Provision for obsolete stock             | (98)           | (21)           |
| <b>Total inventories</b>                 | <b>3,913</b>   | <b>3,740</b>   |

### 9.1 Recognition and Measurement

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### 9.2 Key Judgements, Estimates and Assumptions: Provision for Impairment of Inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of the inventories, and other factors that affect inventory obsolescence.

## 10. Property, Plant and Equipment

### Year ended 30 June 2023

| Note                           | Hire<br>Equipment<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Leasehold<br>Improvements<br>\$'000 | Total<br>\$'000 |
|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------|
| Cost                           | 9,721                       | 2,619                            | 442                                 | 12,782          |
| Accumulated depreciation       | (5,739)                     | (2,303)                          | (432)                               | (8,474)         |
| <b>Net book amount</b>         | <b>3,982</b>                | <b>316</b>                       | <b>10</b>                           | <b>4,308</b>    |
| Opening net book amount        | 2,247                       | 327                              | 32                                  | 2,606           |
| Exchange differences           | -                           | (11)                             | (1)                                 | (12)            |
| Additions                      | 1,979                       | 93                               | 6                                   | 2,078           |
| Disposals and impairment       | (3)                         | (8)                              | (2)                                 | (13)            |
| Depreciation expense           | (241)                       | (85)                             | (25)                                | (351)           |
| <b>Closing net book amount</b> | <b>3,982</b>                | <b>316</b>                       | <b>10</b>                           | <b>4,308</b>    |

### Year ended 30 June 2022

| Note                           | Hire<br>Equipment<br>\$'000 | Plant and<br>Equipment<br>\$'000 | Leasehold<br>Improvements<br>\$'000 | Total<br>\$'000 |
|--------------------------------|-----------------------------|----------------------------------|-------------------------------------|-----------------|
| Cost                           | 7,906                       | 2,604                            | 493                                 | 11,003          |
| Accumulated depreciation       | (5,659)                     | (2,277)                          | (461)                               | (8,397)         |
| <b>Net book amount</b>         | <b>2,247</b>                | <b>327</b>                       | <b>32</b>                           | <b>2,606</b>    |
| Opening net book amount        | 2,812                       | 256                              | 51                                  | 3,119           |
| Exchange differences           | -                           | 18                               | 7                                   | 25              |
| Additions                      | 154                         | 84                               | 3                                   | 241             |
| Disposals and impairment       | (246)                       | 23                               | -                                   | (223)           |
| Depreciation expense           | (473)                       | (54)                             | (29)                                | (556)           |
| <b>Closing net book amount</b> | <b>2,247</b>                | <b>327</b>                       | <b>32</b>                           | <b>2,606</b>    |



## 10. Property, Plant and Equipment (continued)

### 10.1 Recognition and Measurement

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Repairs and maintenance costs are recognised as expenses in profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including capitalised lease assets, are depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. The estimated useful lives in the current period is as follows:

|                        |                                      |
|------------------------|--------------------------------------|
| Hire equipment         | 5-15 years                           |
| Plant and equipment    | 3-15 years                           |
| Leasehold improvements | shorter of lease term or useful life |

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

### 10.2 Key Judgements, Estimates and Assumptions: Estimation of Useful Lives of Asset

The Group determined the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or down.

## 11. Right of Use Assets

### Year ended 30 June 2023

|                                  | Note | Premises<br>and<br>Buildings<br>\$'000 | Motor<br>Vehicles<br>\$'000 | Total<br>\$'000 |
|----------------------------------|------|--|-----------------------------|-----------------|
| Cost                             |      | 6,349                                  | 2,899                       | 9,248           |
| Accumulated depreciation         |      | (4,375)                                | (2,323)                     | (6,698)         |
| <b>Total right-of-use assets</b> |      | <b>1,974</b>                           | <b>576</b>                  | <b>2,550</b>    |
| Opening net book amount          |      | 2,692                                  | 708                         | 3,400           |
| Modifications and reassessments  |      | (177)                                  | 148                         | (29)            |
| Depreciation                     | 5    | (541)                                  | (280)                       | (821)           |
| <b>Closing net book amount</b>   |      | <b>1,974</b>                           | <b>576</b>                  | <b>2,550</b>    |

### Year ended 30 June 2022

|                                  | Note | Premises<br>and<br>Buildings<br>\$'000 | Motor<br>Vehicles<br>\$'000 | Total<br>\$'000 |
|----------------------------------|------|--|-----------------------------|-----------------|
| Cost                             |      | 6,526                                  | 2,751                       | 9,277           |
| Accumulated depreciation         |      | (3,834)                                | (2,043)                     | (5,877)         |
| <b>Total right-of-use assets</b> |      | <b>2,692</b>                           | <b>708</b>                  | <b>3,400</b>    |
| Opening net book amount          |      | 2,974                                  | 495                         | 3,469           |
| Modifications and reassessments  |      | 1,075                                  | 458                         | 1,533           |
| Depreciation                     | 5    | (1,357)                                | (245)                       | (1,602)         |
| <b>Closing net book amount</b>   |      | <b>2,692</b>                           | <b>708</b>                  | <b>3,400</b>    |

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.

### 11.1 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.

## 12. Goodwill and Other Intangible Assets

### Year ended 30 June 2023

|   | Note | Goodwill<br>\$'000 | Patents,<br>Trademarks<br>& Licences<br>\$'000 | Software &<br>Other<br>\$'000 | Total<br>\$'000 |
|---|------|--------------------|--|-------------------------------|-----------------|
| Cost                                    |      | 838                | 249  | 557                           | 1,644           |
| Accumulated amortisation and impairment |      | -                  | (176)  | (508)                         | (684)           |
| <b>Net book amount</b>                  |      | <b>838</b>         | <b>73</b>                                      | <b>49</b>                     | <b>960</b>      |
| Opening net book amount                 |      | 838                | 73   | 90                            | 1,001           |
| Exchange differences                    |      | -                  | -  | -                             | -               |
| Additions                               |      | -                  | -  | 13                            | 13              |
| Amortisation charge                     | 5    | -                  | -  | (54)                          | (54)            |
| <b>Balance at 30 June 2023</b>          |      | <b>838</b>         | <b>73</b>                                      | <b>49</b>                     | <b>960</b>      |

### Year ended 30 June 2022

|   | Note | Goodwill<br>\$'000 | Patents,<br>Trademarks<br>& Licences<br>\$'000 | Software &<br>Other<br>\$'000 | Total<br>\$'000 |
|---|------|--------------------|--|-------------------------------|-----------------|
| Cost                                    |      | 838                | 249  | 545                           | 1,632           |
| Accumulated amortisation and impairment |      | -                  | (176)  | (455)                         | (631)           |
| <b>Net book amount</b>                  |      | <b>838</b>         | <b>73</b>                                      | <b>90</b>                     | <b>1,001</b>    |
| Opening net book amount                 |      | 838                | 73   | 125                           | 1,036           |
| Exchange differences                    |      | -                  | -  | (2)                           | (2)             |
| Additions                               |      | -                  | -  | 11                            | 11              |
| Amortisation charge                     | 5    | -                  | -  | (44)                          | (44)            |
| <b>Balance at 30 June 2022</b>          |      | <b>838</b>         | <b>73</b>                                      | <b>90</b>                     | <b>1,001</b>    |

Goodwill is allocated to the Group's cash-generating units (CGUs). A CGU level summary of the goodwill allocation is presented below.

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| South and Western Australian scaffold branches | 838            | 838            |

### 12.1 Recognition and Measurement

#### Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
  - (ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
  - (iii) the acquisition date fair value of any previously held equity interest;
- over the acquisition date fair value of net identifiable assets acquired.

#### Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Intangible assets other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss.

Patents, trademarks and licences are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses (refer to note 18). Patents and trademarks are amortised over their useful lives ranging from 5 to 10 years.

### 12.2 Key Judgements, Estimates and Assumptions: Goodwill and Other Indefinite Life Intangible Assets

The Group tests annually, or more frequently if changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered impairment (refer to note 18). Recoverable amounts of cash generating units have been determined based on value-in use calculations using assumptions including discount rates based on the current cost of capital and growth rates of estimated future cash flows.

## 13. Trade and Other Payables

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <b>CURRENT</b>                                    |                |                |
| <i>Unsecured liabilities</i>                      |                |                |
| Trade payables                                    | 2,842          | 1,340          |
| Sundry payables and accrued expenses              | 1,197          | 1,771          |
| ATO liabilities                                   | 2,600          | 4,002          |
| Deferred revenue                                  | 512            | 484            |
| Net GST payables                                  | 483            | 244            |
| <b>Total current trade and other payables</b>     | <b>7,634</b>   | <b>7,841</b>   |
| <b>NON-CURRENT</b>                                |                |                |
| <i>Unsecured liabilities</i>                      |                |                |
| ATO liabilities                                   | 3,011          | -              |
| <b>Total non-current trade and other payables</b> | <b>3,011</b>   | <b>-</b>       |
| <b>Total trade and other payables</b>             | <b>10,645</b>  | <b>7,841</b>   |

### 13.1 Recognition and Measurement

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid between 7 and 60 days of recognition of the liability.

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

## 14. Borrowings

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>CURRENT</b>                           |                |                |
| <i>Unsecured liabilities</i>             |                |                |
| Bank loans                               | 256            | 250            |
| Loan facility with Pure Asset Management | 4,097          | 3,864          |
| Shareholder loan                         | 41             | 41             |
| Other financing liabilities              | 23             | 153            |
| <b>Total borrowings</b>                  | <b>4,417</b>   | <b>4,308</b>   |

|   | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---|------|----------------|----------------|
| <b>Net loan facility with Pure Asset Management</b>                 |      |                |                |
| Loan facility with Pure Asset Management                            |      | 5,000          | 5,000          |
| Fair value of attaching warrant                                     | 20   | (692)          | (692)          |
| Transaction costs   |      | (600)          | (600)          |
|   |      | 3,708          | 3,708          |
| Amortisation of finance components (warrants and transaction costs) |      | 385            | 62             |
| Interest accrued  |      | 4              | 94             |
| <b>Net loan facility with Pure Asset Management</b>                 |      | <b>4,097</b>   | <b>3,864</b>   |

The PURE Facility is over a 4-year term 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.

During the period, ongoing events of default under the terms of the facility agreement occurred. On 30 August 2023, a waiver and amendment letter was signed between the Company and Pure Asset Management. Pure Asset Management waived their rights in relation to the default events under the terms of the Facility Agreement.

### 14.1 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 method.

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

### 14.2 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.

## 15. Lease Liabilities

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>CURRENT</b>                             |                |                |
| Lease liability                            | 792            | 794            |
| <b>Total current lease liabilities</b>     | <b>792</b>     | <b>794</b>     |
| <b>NON-CURRENT</b>                         |                |                |
| Lease liability                            | 1,976          | 2,961          |
| <b>Total non-current lease liabilities</b> | <b>1,976</b>   | <b>2,961</b>   |
| <b>Total lease liabilities</b>             | <b>2,768</b>   | <b>3,755</b>   |

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <i>Lease amounts included in the statement of cashflows</i> |                |                |
| Lease payments  | 958            | 969            |
| Interest expense (included in finance costs)                | 135            | 164            |
| <b>Total amount paid</b>                                    | <b>1,093</b>   | <b>1,133</b>   |

|  | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Expenses relating to low value asset leases</b> | <b>4</b>       | <b>39</b>      |

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 undiscontinued cash flows on the remaining lease term at the reporting date are as follows:

## 15. Lease Liabilities (continued)

| Maturity Analysis                                 | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <i>Contractual undiscounted cash flows</i>        |                |                |
| Within one year                                   | 5              | 37             |
| Later than one year but not later than five years | -              | 5              |
| Later than five years                             | -              | -              |
| <b>Total contractual undiscounted cash flows</b>  | <b>5</b>       | <b>42</b>      |

### 15.1 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.

### 15.2 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 an 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.

## 16. Provisions

|  | 2023<br>\$'000         | 2022<br>\$'000         |
|--|------------------------|------------------------|
| <b>CURRENT</b>   |                        |                        |
| Employee leave obligations   | 893                    | 993                    |
| <b>Total current provisions</b>                                      | <b>893</b>             | <b>993</b>             |
| <b>NON-CURRENT</b>   |                        |                        |
| Employee leave obligations   | 97                     | 75                     |
| <b>Total non-current provisions</b>                                  | <b>97</b>              | <b>75</b>              |
| <b>Total provisions</b>  | <b>990</b>             | <b>1,068</b>           |
| <b>Amounts not expected to be settled within the next 12 months:</b> | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> |
| Current leave obligations expected to be settled after 12 months     | 578                    | 346                    |

### 16.1 Recognition and Measurement

#### Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### Short-Term Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

#### Employee Benefits - Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

#### Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.



### 16.1 Recognition and Measurement (continued)

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

### 16.2 Key Estimate: Employee Entitlement Provisions - Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases have been taken into account.

## 17. Financial Risk Management

### 17.1 Categories of Financial Assets and Liabilities

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from related parties, bills, leases, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

|                               | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|-------------------------------|------|----------------|----------------|
| <b>Financial Assets</b>       |      |                |                |
| Cash at bank                  | 7    | 1,416          | 1,309          |
| Short term deposits           | 7    | 10             | 116            |
| Net trade receivables         | 8    | 6,032          | 4,969          |
| <b>Total financial assets</b> |      | <b>7,458</b>   | <b>6,394</b>   |

|  | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|--|------|----------------|----------------|
| <b>Financial Liabilities</b>                   |      |                |                |
| <i>Financial liabilities at amortised cost</i> |      |                |                |
| Trade and other payables                       | 13   | 10,645         | 7,841          |
| Borrowings                                     | 14   | 4,417          | 4,308          |
| Lease liabilities                              | 15   | 2,768          | 3,755          |
| <b>Total financial liabilities</b>             |      | <b>17,830</b>  | <b>15,904</b>  |

### 17.2 Financial Risk Management Policies

The Board of Directors are responsible for managing financial risk policies and exposures of the Group. It also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the Group in meeting its financial targets while minimising potential adverse effects on financial performance. This includes the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

### 17.3 Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

#### (a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 days from the end of month after invoice date.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided in note 8.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at note 8.

#### (b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile; and
- managing credit risk related to financial assets.

The following table details the Group's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

### 17.3 Specific Financial Risk Exposures and Management (continued)

| Financial asset and financial liability maturity analysis | Within 1 Year  |                | 1 to 5 Years   |                | Over 5 Years   |                | Total           |                 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
|   | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000  | 2022<br>\$'000  |
| <b>Financial assets - cash flows realisable</b>           |                |                |                |                |                |                |                 |                 |
| Cash at bank  | 1,416          | 1,309          | -              | -              | -              | -              | 1,416           | 1,309           |
| Short term deposits                                       | 10             | 116            | -              | -              | -              | -              | 10              | 116             |
| Trade and other receivables                               | 6,032          | 4,969          | -              | -              | -              | -              | 6,032           | 4,969           |
| <b>Total anticipated inflows</b>                          | <b>7,458</b>   | <b>6,394</b>   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>7,458</b>    | <b>6,394</b>    |
| <b>Financial liabilities due for payment</b>              |                |                |                |                |                |                |                 |                 |
| Bank overdrafts and bank loans                            | 256            | 250            | -              | -              | -              | -              | 256             | 250             |
| Other loan facility                                       | 4,097          | 6,950          | -              | -              | -              | -              | 4,097           | 6,950           |
| Trade and other payables                                  | 7,634          | 7,841          | 3,011          | -              | -              | -              | 10,645          | 7,841           |
| Shareholder loan  | 41             | 41             | -              | -              | -              | -              | 41              | 41              |
| Other financing liabilities                               | 23             | 153            | -              | -              | -              | -              | 23              | 153             |
| Lease liabilities   | 792            | 794            | 1,976          | 2,961          | -              | -              | 2,768           | 3,755           |
| <b>Total expected outflows</b>                            | <b>12,843</b>  | <b>16,029</b>  | <b>4,987</b>   | <b>2,961</b>   | <b>-</b>       | <b>-</b>       | <b>17,830</b>   | <b>18,990</b>   |
| <b>Net (outflow) / inflow on financial instruments</b>    | <b>(5,385)</b> | <b>(9,635)</b> | <b>(4,987)</b> | <b>(2,961)</b> | <b>-</b>       | <b>-</b>       | <b>(10,372)</b> | <b>(12,596)</b> |

#### Financial Assets Pledged as Collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to note 16 for further details.

#### (c) Market Risk

##### (i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

##### (ii) Foreign exchange risk

The Board and senior management regularly monitor foreign currency movements and has undertaken to use hedging contracts where appropriate to the value of up to 100% of its US dollar requirements over a maximum 6 month period.

#### Sensitivity Analysis

As at the end of the reporting period, the Group had the following variable rate borrowings:

|                  | 2023                           |                |                  | 2022                           |         |                  |
|------------------|--------------------------------|----------------|------------------|--------------------------------|---------|------------------|
|                  | Weighted Average Interest Rate | Balance \$'000 | % of Total Loans | Weighted Average Interest Rate | Balance | % of Total Loans |
| Shareholder loan | 0%                             | 41             | 0%               | 0%                             | 41      | 0%               |

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

|                          | Profit         |                | Equity         |                |
|--------------------------|----------------|----------------|----------------|----------------|
|                          | 2023<br>\$'000 | 2022<br>\$'000 | 2023<br>\$'000 | 2022<br>\$'000 |
| +/- 2% in interest rates | -              | -              | -              | -              |

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

#### Fair Value Estimation

The fair values of the Group's financial assets and financial liabilities included in the Statement of Financial Position are carried at amounts that approximate net fair values.

### 18. Impairment of Non-Financial Assets

At the end of each reporting period the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with the standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the standard (AASB 116).

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.

## 18. Impairment of Non-Financial Assets (continued)

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

The Group tests whether goodwill for the South and Western Australia scaffold branches cash generating unit (CGU) has suffered any impairment on an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on a one-year budget and four-year projections approved by management. Cash flows beyond the one-year budget period are extrapolated using the estimated growth rates stated below. The growth rates for the terminal period do not exceed the long-term average growth rates for the industry in which each CGU operates.

### Sensitivity

The calculation of value-in-use is most sensitive to changes in the discount rate. The Directors have made judgements and estimates in respect of impairment testing of goodwill and intangible assets. Should these estimates not occur, the resulting goodwill and intangible assets may vary in carrying amount. If the discount rate was to increase by 3% or the revenue growth was decreased by 3%, goodwill would not need to be impaired with all other assumptions remaining constant, for the South and Western Australia scaffold branches CGU.

### 18.1 Key Judgements, Estimates and Assumptions: Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The following key assumptions were used in the value-in-use calculations:

|  | Growth Rate<br>Year 1-5 | Terminal Period<br>Growth Rate | Discount Rate |
|--|-------------------------|--------------------------------|---------------|
| <b>2023</b>                                    |                         |                                |               |
| South and Western Australian scaffold branches | 3.0%                    | 3.0%                           | 11.0%         |
| <b>2022</b>                                    |                         |                                |               |
| South and Western Australian scaffold branches | 3.0%                    | 3.0%                           | 10.5%         |

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

## 19. Share Capital

|   | 2023<br>Number     | 2023<br>\$'000 | 2022<br>Number     | 2022<br>\$'000 |
|---|--------------------|----------------|--------------------|----------------|
| Share capital at the beginning of the reporting period  | 167,706,527        | 26,086         | 167,706,527        | 26,086         |
| Shares issued during the year                           |                    |                | -                  | -              |
| - November 2022 (for services)                          | 1,639,687          | 131            | -                  | -              |
| - November 2022 (entitlement offer)                     | 8,071,272          | 525            | -                  | -              |
| - April 2023 (placement)                                | 22,338,461         | 1,452          | -                  | -              |
| Transaction costs on raising capital                    | -                  | (37)           | -                  | -              |
| <b>Share capital at the end of the reporting period</b> | <b>199,755,947</b> | <b>28,157</b>  | <b>167,706,527</b> | <b>26,086</b>  |

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is subject to financing covenants as detailed in note 14.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

It is still the management strategy to control the capital of the Group and to identify opportunities to reduce the Group's gearing ratio. The gearing ratios for the year ended 30 June 2023 and 30 June 2022 are as follows:

|                                 | Note | 2023<br>\$'000 | 2022<br>\$'000 |
|---------------------------------|------|----------------|----------------|
| Total borrowings                | 14   | 4,417          | 4,308          |
| Add: Lease liabilities          | 15   | 2,768          | 3,755          |
| Less: Cash and cash equivalents | 7    | (1,427)        | (1,426)        |
| <b>Net debt</b>                 |      | <b>5,758</b>   | <b>6,637</b>   |
| Total equity                    |      | 2,210          | 1,616          |
| <b>Total capital</b>            |      | <b>7,968</b>   | <b>8,253</b>   |
| <b>Gearing ratio</b>            |      | <b>72%</b>     | <b>80%</b>     |

## 20. Reserves

|                              | 2023<br>\$'000 | 2022<br>\$'000 |
|------------------------------|----------------|----------------|
| Warrant reserve              | 692            | 692            |
| Share options reserve        | 42             | -              |
| Foreign currency translation | (107)          | 84             |
| <b>Total reserves</b>        | <b>627</b>     | <b>776</b>     |

### Warrant reserve

The warrant reserve records the fair value of the warrants issued. Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. Warrants reserve is non-distributable and will be transferred to share premium account upon the exercise of warrants. Balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits.

40,000,000 unlisted and detached warrants were issued to Pure Asset Management (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 at \$692,000 using Monte Carlo simulation method. These costs have been offset against the associated borrowings of \$5,000,000 (refer to note 14).

### Share options reserve

The share option reserve records the fair value of the share options issued. Proceeds from the issuance of warrants, net of issue costs, are credited to share options reserve. Share options reserve is non-distributable and will be transferred to share premium account upon the exercise of share options. Balance of share options reserve in relation to the unexercised share options at the expiry of the options period will be transferred to accumulated profits.

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. These have been valued at \$42,315 using Black Scholes model.

### Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

## 20.1 Key Judgements, Estimates and Assumptions: Warrant Reserve

Warrants issued by the Group in connection with loans are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Where the warrants meet the definition of equity, they are initially measured at fair value and recognised in a warranty reserve. Subsequent to initial recognition, the liability is fair valued until the warrant is issued, with gains or losses recognised in the profit or loss. The warrants have been fair valued using Monte Carlo simulation method. A degree of judgement is required in establishing fair values when inputs used are not derived from observable markets.

## 20.2 Key Judgements, Estimates and Assumptions: Share-based Payment Transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

## 21. Dividends

Since the start of the financial year, no dividends have been paid or declared by the Parent Entity.

During the year \$333,000 (2022: \$189,000) of fully franked dividends were paid to a related party of the Group by Adelaide Scaffold Solutions Pty Limited to Sibley Investments Pty Limited. Sibley Investments Pty Limited is the minority interest holder in the Group. Adelaide Scaffold Solutions Pty Limited is a controlled entity of Oldfields Holdings Limited.

|   | Parent Entity  |                |
|---|----------------|----------------|
|   | 2023<br>\$'000 | 2022<br>\$'000 |
| <b>Franking account balance</b>   |                |                |
| The amount of the franking credits available for subsequent reporting periods are:            |                |                |
| Balance at the end of the reporting period  | 1,086          | 1,086          |
| Franking credits that will arise from the payment of the amount of provision for income tax   | -              | -              |
| <b>Franking credits available for subsequent reporting periods based on a tax rate of 30%</b> | <b>1,086</b>   | <b>1,086</b>   |

### 21.1 Recognition and Measurement

Dividends are recognised when declared during the financial year and are then no longer at the discretion of the Company.

## 22. Earnings per Share

|  | 2023<br>\$'000         | 2022<br>\$'000         |
|--|------------------------|------------------------|
| <b>a) Reconciliation of earnings to profit or loss</b>   |                        |                        |
| Loss for the year  | (1,031)                | (4,034)                |
| Less: Profit attributable to non-controlling equity interest   | (425)                  | (262)                  |
| <b>Earnings used to calculate basic EPS</b>  | <b>(1,456)</b>         | <b>(4,296)</b>         |
|  | <b>2023<br/>Number</b> | <b>2022<br/>Number</b> |
| <b>b) Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS</b> | <b>179,765,115</b>     | <b>167,706,527</b>     |
|  | <b>2023<br/>Cents</b>  | <b>2022<br/>Cents</b>  |
| <b>c) Earnings per share (basic and diluted)</b>   | <b>(0.810)</b>         | <b>(2.562)</b>         |



## 22.1 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.

Earnings per share have not been diluted this financial year as the effect would be anti-dilutive due to the loss for the year.

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.

## 23. Share-Based Payments

As approved by the Nomination and Remuneration Committee, the CEO of the Company is entitled to share options over ordinary shares in the Company under his executive employment contract. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted:

### Year ended 30 June 2023

| Grant Date   | Expiry Date | Exercise Price |  |  | Balance at Start of Year | Granted          | Exercised | Expired/ Forfeited/ Other | Balance at End of Year |
|--------------|-------------|----------------|--|--|--------------------------|------------------|-----------|---------------------------|------------------------|
| 21-Dec-22    | 21-Jun-25   | \$ 0.0500      |  |  | -                        | 1,000,000        | -         | -                         | 1,000,000              |
| <b>Total</b> |             |                |  |  | -                        | <b>1,000,000</b> | -         | -                         | <b>1,000,000</b>       |

### Year ended 30 June 2022

| Grant Date   | Expiry Date | Exercise Price |  |  | Balance at Start of Year | Granted | Exercised | Expired/ Forfeited/ Other | Balance at End of Year |
|--------------|-------------|----------------|--|--|--------------------------|---------|-----------|---------------------------|------------------------|
|              |             | \$ 0.0500      |  |  | -                        | -       | -         | -                         | -                      |
| <b>Total</b> |             |                |  |  | -                        | -       | -         | -                         | -                      |

Set out below are the options exercisable at the end of the financial year:

| Grant Date | Expiry Date |  | 2023 Number | 2022 Number |
|------------|-------------|--|-------------|-------------|
| 21-Dec-22  | 21-Jun-25   |  | 1,000,000   | -           |

The weighted average share price during the financial year was \$0.066.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant Date | Expiry Date | Share Price at Grant Date | Exercise Price |   | Expected Volatility | Dividend Yield | Risk-free Interest Rate | Fair Value at Grant Date |
|------------|-------------|---------------------------|----------------|---|---------------------|----------------|-------------------------|--------------------------|
| 30-Nov-22  | 28-Jan-25   | \$ 0.0700                 | \$ 0.05        | - | 100.00%             | 0.00%          | 3.12%                   | \$ 0.04                  |

## 24. Accumulated Losses

|  | Note | 2023 \$'000     | 2022 \$'000     |
|--|------|-----------------|-----------------|
| Movements in accumulated losses were as follows: |      |                 |                 |
| Opening balance at 1 July                        |      | (25,246)        | (21,023)        |
| Net loss for the year                            |      | (1,031)         | (4,034)         |
| Dividends paid                                   | 21   | (333)           | (189)           |
| <b>Closing balance at 30 June</b>                |      | <b>(26,610)</b> | <b>(25,246)</b> |
| Accumulated losses attributable to:              |      |                 |                 |
| Members of the parent entity                     |      | (27,481)        | (26,061)        |
| Non-controlling interest                         |      | 907             | 815             |
| <b>Total accumulated losses at 30 June</b>       |      | <b>(26,574)</b> | <b>(25,246)</b> |

## 25. Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

| Name of Subsidiary                                      | Principal Place of Business | Ownership Interest |           | Non-Controlling Interests |           |
|---|-----------------------------|--------------------|-----------|---------------------------|-----------|
|   |                             | 2023<br>%          | 2022<br>% | 2023<br>%                 | 2022<br>% |
| Subsidiaries of Oldfields Holdings Limited:             |                             |                    |           |                           |           |
| Oldfields Pty Limited                                   | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Advance Scaffold Pty Limited                  | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Administration Pty Limited                    | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields International Pty Limited                     | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Advance Scaffold Solutions Pty Limited                  | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Supply Chain Solutions Pty Ltd                | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Finance Solutions Pty Ltd                     | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Funds Management Pty Ltd                      | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Subsidiaries of Oldfields Advance Scaffold Pty Limited: |                             |                    |           |                           |           |
| Adelaide Scaffold Solutions Pty Limited                 | Australia                   | 60%                | 60%       | 40%                       | 40%       |
| Subsidiaries of Oldfields Administration Pty Limited:   |                             |                    |           |                           |           |
| National Office Service Trust                           | Australia                   | 100%               | 100%      | 0%                        | 0%        |
| Subsidiaries of Oldfields International Pty Limited:    |                             |                    |           |                           |           |
| Oldfields (NZ) Limited                                  | New Zealand                 | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Paint Applications (NZ) Limited               | New Zealand                 | 100%               | 100%      | 0%                        | 0%        |
| Oldfields USA Incorporated                              | USA                         | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Engineering Technology (Henan) Co Limited     | China                       | 100%               | 100%      | 0%                        | 0%        |
| Oldfields Engineering Technology (Shenzhen) Co Limited  | China                       | 100%               | 100%      | 0%                        | 0%        |
| Foshan Advcorp Scaffold Limited                         | China                       | 100%               | 100%      | 0%                        | 0%        |
| Subsidiaries of Oldfields Finance Solutions Pty Ltd:    |                             |                    |           |                           |           |
| Oldfields Financing Pty Ltd                             | Australia                   | 100%               | 100%      | 0%                        | 0%        |

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Set out below is the summarised financial information for Adelaide Scaffold Solutions Pty Ltd that has non-controlling interests that are material to the Group, before any intra-group eliminations. The entity's principal place of business is 5-7 Peekarra Street, Regency Park, South Australia.

| Summarised financial information of subsidiaries with material non-controlling interests | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Summarised financial position - Adelaide Scaffold Solutions Pty Ltd</b>               |                |                |
| Current assets   | 3,085          | 3,306          |
| Non-current assets   | 2,773          | 2,504          |
| Current liabilities  | (2,056)        | (2,212)        |
| Non-current liabilities  | (608)          | (731)          |
| <b>Net assets</b>  | <b>3,194</b>   | <b>2,867</b>   |
| Carrying amount of non-controlling interests   | 907            | 815            |
| <b>Summarised financial performance - Adelaide Scaffold Solutions Pty Ltd</b>            |                |                |
| Revenue  | 8,082          | 6,395          |
| Profit after tax   | 1,062          | 655            |
| Other comprehensive income after tax   | -              | -              |
| <b>Total comprehensive income</b>  | <b>1,062</b>   | <b>655</b>     |
| Profit attributable to non-controlling interests   | 425            | 262            |
| <b>Summarised cash flow information - Adelaide Scaffold Solutions Pty Ltd</b>            |                |                |
| Net cash from operating activities   | 1,740          | 862            |
| Net cash used in investing activities  | (575)          | (286)          |
| Net cash used in financing activities  | (943)          | (385)          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                              | <b>222</b>     | <b>191</b>     |
| Distributions paid to non-controlling interests  | 333            | 189            |

### 25.1 Recognition and Measurement

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Group as at 30 June 2023 and the results of all controlled entities for the year then ended. Control exists when the consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control exists.

## 26. Commitments and Contingencies

### 26.1 Capital Commitments

The Group does not have any capital expenditure commitments at reporting date (nil in 2022).

### 26.2 Contingencies

The Group does not have any significant contingent liabilities or contingent assets as 30 June 2023 or 30 June 2022.

## 27. Events After the Reporting Period

On 30 August 2023, a waiver and amendment 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.

There are no other matters or circumstances that have arisen since 30 June 2023 which significantly affect or could affect the operations of the Group in future years.

## 28. Parent Entity Disclosures

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting

|   | 2023<br>\$'000 | 2022<br>\$'000 |
|---|----------------|----------------|
| <b>Statement of Financial Position</b>                            |                |                |
| <b>ASSETS</b>   |                |                |
| Current assets  | 4,819          | 6,698          |
| Non-current assets  | 2,395          | 2,274          |
| <b>TOTAL ASSETS</b>   | <b>7,214</b>   | <b>8,972</b>   |
| <b>LIABILITIES</b>  |                |                |
| Current liabilities   | 9,083          | 5,214          |
| Non-current liabilities   | 778            | 4,530          |
| <b>TOTAL LIABILITIES</b>  | <b>9,861</b>   | <b>9,744</b>   |
| <b>NET ASSETS (LIABILITIES)</b>                                   | <b>(2,647)</b> | <b>(772)</b>   |
| <b>EQUITY</b>   |                |                |
| Issued capital  | 28,157         | 26,086         |
| Reserves  | 715            | 692            |
| Accumulated losses  | (31,519)       | (27,550)       |
| <b>TOTAL EQUITY</b>   | <b>(2,647)</b> | <b>(772)</b>   |
| <b>Statement of Profit or Loss and Other Comprehensive Income</b> |                |                |
| <b>Profit (loss) before tax</b>                                   | <b>(3,969)</b> | <b>(1,580)</b> |
| <b>Total comprehensive profit (loss)</b>                          | <b>(3,969)</b> | <b>(1,580)</b> |

### Guarantees

Oldfields Holdings Limited and its Australian wholly-owned entities have entered into a deed of cross guarantee under which the Company and its subsidiaries guarantee the debts of each other.

### Contingent liabilities

The Parent Entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

### Contractual commitments

The Parent Entity did not have any contractual commitments as at 30 June 2023 or 30 June 2022.

## 29. Auditors' Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity, its related practices and non-related audit firms:

|  | 2023<br>\$     | 2022<br>\$     |
|--|----------------|----------------|
| <b>BDO* and related network firms</b>    |                |                |
| <b>Audit services</b>                    |                |                |
| Audit and review of financial statements | 186,000        | 156,630        |
| <b>Non-audit services</b>                |                |                |
| Taxation compliance services             | 26,200         | 37,200         |
| Other services                           | -              | -              |
|  | 26,200         | 37,200         |
| <b>Total auditors' remuneration</b>      | <b>212,200</b> | <b>193,830</b> |

### 30. Related Party Transactions

#### Ultimate controlling entity

Oldfields Holdings Limited (incorporated in Australia).

#### Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel. The following were key management personnel (KMP) at the end of the reporting period:

|                          |   |
|--------------------------|---|
| Michael Emanuel Micallef | Chief Executive Officer and Managing Director |
| Jonathan William Doy     | Non-executive Director                        |
| David John Baird         | Non-executive Director                        |
| Jie Ma                   | Non-executive Director                        |
| Joseph Screnci           | Non-executive Director                        |
| Ka Lung Alan Lee         | Chief Financial Officer and Company Secretary |
| Stephanie Levy           | Chief Transformation Officer                  |

|                                | 2023<br>\$       | 2022<br>\$     |
|--------------------------------|------------------|----------------|
| <b>Details of remuneration</b> |                  |                |
| Short-term employee benefits   | 1,330,553        | 641,194        |
| Long-term employee benefits    | 42,315           | -              |
| Post-employment benefits       | 72,219           | 41,905         |
| <b>Total KMP compensation</b>  | <b>1,445,087</b> | <b>683,099</b> |

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| <b>Transactions with related parties</b>   |            |            |
| The following transactions occurred with related parties:  |            |            |
| Dividends paid to Sibley Investments Pty Ltd, holder of minority interest in Adelaide Scaffold Solutions Pty Ltd | 333,000    | 189,000    |
| Interest paid to WL & CJ Timms, being a related party of William Lewis Timms (non-executive director)            | -          | -          |

|   | 2023<br>\$    | 2022<br>\$    |
|---|---------------|---------------|
| <b>Loans from related parties</b>   |               |               |
| 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        | 274,740       |
| Loan received   | -             | -             |
| Loan repayments made  | -             | (269,000)     |
| Interest charged  | -             | 23,435        |
| Interest paid   | -             | -             |
| <b>End of the year</b>  | <b>29,175</b> | <b>29,175</b> |

|  |               |               |
|--|---------------|---------------|
| Loan payable to EQM Holdings Pty Limited (the Group's major shareholder) |               |               |
| Beginning of the year  | 11,998        | -             |
| Loan received  | -             | 200,000       |
| Loan repayments made   | -             | (200,000)     |
| Interest charged   | -             | 11,998        |
| Interest paid  | -             | -             |
| <b>End of the year</b>   | <b>11,998</b> | <b>11,998</b> |

|   |               |          |
|---|---------------|----------|
| Loan receivable from EQM Holdings Pty Limited (the Group's major shareholder) |               |          |
| Beginning of the year   | -             | -        |
| Loan provided   | 90,000        | -        |
| Loan repayments received  | -             | -        |
| Interest accrued  | 8,668         | -        |
| Interest received   | -             | -        |
| <b>End of the year</b>  | <b>98,668</b> | <b>-</b> |

#### 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.

### 31. Deed of Cross Guarantee

A deed of cross guarantee between Oldfields Holdings Limited and its wholly owned subsidiaries was enacted during the financial year ended 30 June 2001. An assumption deed to include Adelaide Scaffold Solutions Pty Ltd was enacted during the year ended 30 June 2005. Under the deed, Oldfields Holdings Limited guarantees to support the liabilities and obligations of the entities listed in note 24, being members of the Closed Group. The financial information of the Closed Group is the same as that for the consolidated group.



### 32. Changes in Liabilities Arising from Financing Activities

#### Year ended 30 June 2023

|                | Opening<br>Balance | Cash flows     | Non-cash Changes  |             | Closing<br>Balance |
|----------------|--------------------|----------------|-------------------|-------------|--------------------|
|                |                    |                | Inter-<br>company | Other       |                    |
|                | \$'000             | \$'000         | \$'000            | \$'000      | \$'000             |
| Finance leases | 3,755              | (958)          | -                 | (29)        | 2,768              |
| Borrowings     | 4,308              | (64)           | 173               | -           | 4,417              |
| <b>Total</b>   | <b>8,063</b>       | <b>(1,022)</b> | <b>173</b>        | <b>(29)</b> | <b>7,185</b>       |

#### Year ended 30 June 2022

|                | Opening<br>Balance | Cash flows   | Non-cash Changes  |            | Closing<br>Balance |
|----------------|--------------------|--------------|-------------------|------------|--------------------|
|                |                    |              | Inter-<br>company | Other      |                    |
|                | \$'000             | \$'000       | \$'000            | \$'000     | \$'000             |
| Finance leases | 3,786              | (969)        | -                 | 938        | 3,755              |
| Borrowings     | 390                | 3,885        | 33                | 0          | 4,308              |
| <b>Total</b>   | <b>4,176</b>       | <b>2,916</b> | <b>33</b>         | <b>938</b> | <b>8,063</b>       |

# Directors' Declaration

In accordance with a resolution of the Directors of Oldfields Holdings Limited, the Directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated entity;
2. 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
3. there are reasonable grounds to believe that the Company and its controlled entities identified in note 24 to the financial statements will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between Oldfields Holdings Limited and its controlled entities pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.
4. the Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the Directors:



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**Michael Micallef**

Dated: 31 August 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of Oldfields Holdings Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Oldfields Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

| <i>Key audit matter</i>   | <i>How the matter was addressed in our audit</i>   |
|---|--|
| <p>As disclosed in Note 4, the Group recognised revenue of \$37,641,000 during the financial year ended 30 June 2023 (2022: \$24,474,000).</p> <p>Revenue recognition was considered a key audit matter due to:</p> <ul style="list-style-type: none"><li>• The overall significance of revenue to the Group as a key performance indicator; and</li><li>• Management recognise revenue based on the multiple performance obligations and variable consideration identified within the individual contracts which involves management judgements and estimates.</li></ul> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Critically evaluated the revenue recognition policies for all material revenue sources including reviewing any new sales agreements entered during the year to identify any variable consideration/multiple performance obligation arrangements to ensure revenue was recognised in accordance with relevant accounting standards.</li><li>• Performed substantive analytical procedures over the key revenue streams, comparing against expectations developed from discussions with management and supporting information.</li><li>• Substantively testing a sample of revenue transactions throughout the financial year by tracing sales invoices to supporting sales documentation, delivery documentation and cash receipts.</li><li>• Reviewing the appropriateness of management's judgements associated with the fair value consideration expected to be received by reference to the terms of individual contracts.</li><li>• Assessing the classification of project revenue between Sales Revenue and Other Income.</li><li>• Performed detailed cut-off testing to ensure that revenue sales, for products and hire, around the year-end had been recorded in the correct period.</li><li>• Assessing the appropriateness of the disclosures in Note 4.</li></ul> |

### Going Concern

| Key audit matter  | How the matter was addressed in our audit  |
|---|--|
| <p>For the year ended 30 June 2023, the Group reported a loss after tax of \$1,031k (2022: Loss \$4,034k) and a net current asset deficiency of \$409k (2022: \$2,157k). As disclosed in Note 2.3, the Directors have disclosed their considerations regarding their conclusion that the going concern basis of accounting is appropriate.</p> <p>The assessment of Going Concern is largely based on management's forecasts. The forecasts include assumptions about future cash flows which are uncertain in timing and amount.</p> <p>Our assessment of going concern was considered a key audit matter due to the judgements and assumptions made by management in preparing their cash flow forecasts.</p> | <p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Evaluating and challenging the key assumptions used in the cash flow forecasts prepared by management.</li><li>• Evaluating the historical accuracy of management's past forecasts and perform a sensitivity analysis on the cash flow forecasts.</li><li>• Assessing the payment deferral arrangements obtained with one aged creditor comprising significant outstanding amounts and its impacts on the cash flow forecasts.</li><li>• Obtaining written confirmation from Pure Asset Management (PAM) on waiver of default event due to breach of loan covenant.</li><li>• Evaluating the adequacy and accuracy of disclosures made by management related to the use of the going concern basis of accounting in preparation of the financial report.</li></ul> |

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Oldfields Holdings Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO  


Ryan Pollett  
Director

Sydney, 31 August 2023

# Corporate Governance Statement

The Board of Directors of Oldfields Holdings Limited is committed to high standards of corporate governance and adopts wherever possible the principles outlined in the Corporate Governance Principles and Best Practice Recommendations, 4<sup>th</sup> Edition published by the ASX Corporate Governance Council in July 2020.

The recommendations are written in a principles based fashion and individual boards are able to choose whether to follow the recommended practices or to adopt other practices that are better suited to the individual circumstances of the Group. Given the size and specific circumstances of Oldfields Holdings Limited, the Board recognises that some of the best practice recommendations are not suited to obtaining the best shareholder outcomes at the present time. This situation is monitored by the Board and the recommendations will be adopted as and when the Group's circumstances allow.

All relevant best practice recommendations of the ASX Corporate Governance Council have been applied for the reporting period unless specifically disclosed below. Where a recommended practice has not been followed a detailed description of the practices adopted is provided together with a commentary on how the risks of non-adoption of the recommended practice are mitigated.

| Recommendation     | Recommended Practice   | Oldfields' Practice                          |
|--------------------|--|--|
| Recommendation 1.1 | Establish functions reserved for the board and for senior management   | The recommended practice is adopted          |
| Recommendation 1.2 | Undertake appropriate checks prior to appointing as director   | The recommended practice is adopted          |
| Recommendation 1.3 | Written agreements in place with directors and senior executives   | The recommended practice is adopted          |
| Recommendation 1.4 | Company secretary accountable to board through the chair   | The recommended practice is adopted          |
| Recommendation 1.5 | Have a measurable diversity policy   | The recommended practice is adopted          |
| Recommendation 1.6 | Establish a process for evaluating performance of the board  | This recommendation has not yet been adopted |
| Recommendation 1.7 | Have a process for periodically evaluating performance of senior executives  | The recommended practice is adopted          |
| Recommendation 2.1 | The board should have a nomination committee   | The recommended practice is adopted          |
| Recommendation 2.2 | Have a board skills matrix   | The recommended practice is adopted          |
| Recommendation 2.3 | Have a list of directors who are deemed to be independent  | The recommended practice is adopted          |
| Recommendation 2.4 | Majority of the board should be independent directors  | The recommended practice is adopted          |
| Recommendation 2.5 | The chair of the board should be independent and not the CEO   | The recommended practice is adopted          |
| Recommendation 2.6 | Have a program for inducting new directors   | The recommended practice is adopted          |
| Recommendation 3.1 | Articulate and disclose its value  | The recommended practice is adopted          |
| Recommendation 3.2 | Establish and disclose a code of conduct   | The recommended practice is adopted          |
| Recommendation 3.3 | Have a whistleblower policy  | The recommended practice is adopted          |
| Recommendation 3.4 | Have an anti-bribery and corruption policy   | The recommended practice is adopted          |
| Recommendation 4.1 | The board should establish an audit committee  | The recommended practice is adopted          |
| Recommendation 4.2 | Prior to approving financial statements the board receive from the CFO and CEO declaration of properly maintained records and compliance with accounting standards | The recommended practice is adopted          |
| Recommendation 4.3 | Have a process to verify the integrity of periodic report it releases to the market  | The recommended practice is adopted          |
| Recommendation 5.1 | Establish written policies designed to ensure compliance with its continuous disclosure obligations  | The recommended practice is adopted          |

| Recommendation     | Recommended Practice   | Oldfields' Practice  |
|--------------------|--|--|
| Recommendation 5.2 | The Board receive copies of all material market announcements promptly after they have been made   | The recommended practice is adopted  |
| Recommendation 5.3 | Copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation  | The recommended practice is adopted  |
| Recommendation 6.1 | Provide information about itself and its governance via its website  | The recommended practice is adopted  |
| Recommendation 6.2 | Design and implement investor relations program for communication with investors   | The recommended practice is adopted  |
| Recommendation 6.3 | Policies and processes in place to encourage security holder participation   | The recommended practice is adopted  |
| Recommendation 6.4 | Ensure all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands  | This recommended practice is adopted   |
| Recommendation 6.5 | Provide security holders option to receive communication electronically  | This recommended practice is adopted   |
| Recommendation 7.1 | The board should establish a remuneration committee; or<br>Establish policies for the oversight and management of material business risks and disclose a summary of those policies | The recommended practice is adopted. The Risk Management Statement is disclosed  |
| Recommendation 7.2 | Board to review risk management framework annually   | The recommended practice is adopted  |
| Recommendation 7.3 | Disclosure of internal audit function  | The recommended practice is adopted  |
| Recommendation 7.4 | Disclose material exposure to economic, environmental and social sustainability risks  | The indicated information is provided  |
| Recommendation 8.1 | The board should establish a remuneration committee  | The recommended practice is adopted  |
| Recommendation 8.2 | Disclosure of policies and practices of remuneration of non-executive and executive directors as well as other senior executives   | The recommended practice is adopted  |
| Recommendation 8.3 | Policy on equity based remuneration scheme   | No equity based scheme in place, recommendation will be adopted when implemented |

Current information is available on the Group's website which contains a clearly marked Corporate Governance section.

## Principle 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

**Recommendation 1.1** – *Establish functions reserved for the board and for senior management and disclose those functions.*

The Board of Directors is accountable to the shareholders for the performance of the Group. The Board sets the strategic direction and delegate's responsibility for the management of the Group to the Chief Executive Officer.

A copy of the Board Charter, which promotes a culture within the Group of accountability, integrity and transparency, is available on the Group's website.

Each Board Member must at all times act honestly, fairly and diligently in all respects in accordance with the Group's Code of Conduct and all laws that apply to the Group.

Key matters reserved for the Board include:

- Oversight of the Group, including its control, accountability and compliance systems;
- Appointment, monitoring, managing performance and if necessary removal of the Chief Executive Officer, Chief Financial Officer and Company Secretary;
- Input, assessment, appraisal and final approval of management's development of corporate strategy and performance objectives;
- Monitoring risk management;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approval and monitoring financial and other reporting;
- Ensuring the market and shareholders are fully informed of material developments; and
- Recognising the legitimate interests of stakeholders.

The expectations of directors are outlined in a formal Letter of Appointment which details the term of appointment, fees, power and duties and other information pertinent to their roles.

Responsibility for the day-to-day management of the Group and its operations is delegated to senior executive management. The expectations of senior executive management are outlined in Board decisions which are communicated to the Chief Executive Officer and recorded in the board minutes and also in the position descriptions and KPI's for each senior executive role.

The Board holds a minimum of six formal meetings a year, but usually twelve. Additional meetings are held as required.

Details of current members of the Board are disclosed in the Directors' Report.

**Recommendation 1.2** – *Undertake appropriate checks before appointing or putting forward to security holders a candidate for election as a director*

Details are provided on a candidate for director. These will be provided to security holders prior to any election of new Directors.

**Recommendation 1.3** – *Written agreements in place with directors and senior executives*

Detailed service contracts are in place for all senior managers and directors, these are established prior to commencement of employment

**Recommendation 1.4** – *Company secretary accountable to the board through the chair*

The CFO/Company Secretary has clear lines of accountability with the CFO responsibilities reporting directly through to the CEO and all company secretarial functions reporting through to the Chair.

**Recommendation 1.5** – *Measurable diversity policy*

A detailed diversity policy is in place, and available on the Company's webpage. In addition to this, the Company's workplace gender equality report is available to view. Whilst the policy diverges from some of the recommendations made, key areas in the recommendation are included in the policy, including the requirement that for all jobs advertised, it is stated that the Company is an equal opportunity employer, that at least one female applicant is included in the final shortlist of candidates for the role, and shortlisted candidates are interviewed by a female as well as a male member of staff prior to a final decision on employment where possible.

The Group operates in the traditionally male dominated industry of construction and related services and is therefore under-represented by women in its workforce. However, the Company has adopted the diversity policy and adhere to its gender reporting requirements.

The measurable objective set for the reporting period to achieve gender diversity included:

- Ensure recruiting processes adhere to the Company's diversity policy;
- Formal policy to provide flexible working arrangements;
- Promote awareness about the importance of diversity and inclusion;
- Formal policy in relation to sexual harassment and discrimination prevention; and
- Analyse and report the ratio of women to men in the workforce regularly.

|                   | Female | Male |
|-------------------|--------|------|
| Board             | -      | 5    |
| Senior Executives | 2      | 1    |
| Employee – others | 20     | 91   |

***Recommendation 1.6 – Process for evaluation of the performance of the board***

The Board has not completed a formal evaluation process within the period. The Chairman performs an informal evaluation of individual Directors and also of each Board Meeting. The Board will be considering obtaining independent advice.

***Recommendation 1.7 – Have a process for periodically evaluating the performance of senior management***

Senior executive management is evaluated each year on their performance against stated objectives, goals and key performance indicators (KPI's).

Overall performance is reviewed by the particular senior executive's direct supervisor and ultimately by the Chief Executive Officer and/or Board of Directors.

**Principle 2. STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

The Board currently has four directors, comprising two independent non-executive directors, including the Chairman, one non-executive director and one executive director.

The Board has adopted the following principles:

- The same individual should not exercise the roles of Chairman and Chief Executive Officer;
- The Board should not comprise a majority of executive directors; and
- The Board should comprise persons with a broad range of skills and experience appropriate to the needs of the Group.

***Recommendation 2.1 – The board should have a nomination committee***

The Board has established a Nomination Committee and it is responsible for developing and recommending to the Board:

- Nomination of Non-Executive and Executive Directors;
- Nomination of Company Secretary;
- Nomination of the Chief Executive Officer and Chief Financial Officer;

The Board has a nomination committee which has three members, comprising two independent non-executive directors, including the Chair, and one non-executive director. It has a documented charter and the members and qualification of the Nomination Committee are disclosed in the Directors' Report.

Nominations are considered by the committee and are only accepted if the candidate has the relevant skills required to assist the business in achieving its strategic objectives.

***Recommendation 2.2 – Have a board skills matrix***

This has been established and as follows:

|                         |   |
|-------------------------|---|
| Leadership and Strategy | Executive leadership<br>Global experience<br>Mergers & Acquisitions<br>Industry diversity<br>Growth strategy development and implementation<br>Health, Safety and Environment<br>Investor Relations |
| Industry                | Technical<br>Market and customer knowledge<br>Product development   |



|                  |                           |
|------------------|---------------------------|
| Financial acumen | Financial literacy        |
|                  | Financial risk management |
| Governance       | Governance and regulation |
|                  | Policy development        |
|                  | Legal and compliance      |

***Recommendation 2.3 – Have a list of directors that are deemed to be independent***

The Company has two independent directors and this is disclosed in the annual report.

***Recommendation 2.4 – Majority of the board should be independent directors***

Independent directors are those who are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

In assessing the independence of directors, an independent director is a non-executive director and:

- Is not a substantial shareholder, as defined in section 9 of the Corporations Act, of the Group or an officer of, or otherwise associated directly with, a substantial shareholder of the Group;
- Has not within the last three years been employed in an executive capacity by the Group or another Group member, and there has been a period of at least three years between ceasing such employment and serving on the Board;
- Has not within the last three years been a principal of a material professional advisor or a material consultant to the Group or another Group member, or an employee materially associated with the service provided; and
- Is not a material supplier or customer of the Group or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

At the date of this report there were two independent directors.

The following Directors do not meet the independence criteria listed above:

- Jie Ma: currently a non-executive director and substantial shareholder; and
- Richard John Abela: currently an executive director and shareholder.

The Board manages the risk of having a half of non-independent directors through restrictions on trading in shares, restrictions on related party transactions, and a close relationship with the principal provider of debt funding and a strong independent auditor with a focus on controls.

***Recommendation 2.5 – The chair of the board should be independent and not the CEO***

The Chair is an independent non-executive director.

***Recommendation 2.6 – Have a program for inducting new directors and ensuring appropriate professional development opportunities to develop and maintain the skills required to perform their role as directors***

There is an appropriate level of induction for new Directors ensuring they understand the business needs and requirements. The Board discusses from time to time requirements to ensure continuous development of skills for the performance of their role as Director.

**Principle 3. INSTIL A CULTURE of acting lawfully, ethically and responsibly**

***Recommendation 3.1 – Articulate and disclose its values.***

The value of the Group is disclosed on page 5 of the Annual Report.

***Recommendation 3.2 – Establish and disclose a Code of Conduct for its directors, senior executives and employees; and ensure the Board or a Committee of the Board is informed of any material breaches.***

The Board has a code of conduct for Directors and Group, Officers and employees. The key elements of the code are:

- Conflicts of interest;
- Corporate opportunities;
- Confidentiality;
- Fair dealing;

- Protection of assets;
- Compliance with laws and regulations; and
- Promotion of ethical and lawful behavior.

The policy is available on the Company's webpage.

**Recommendation 3.3** – *Establish and disclose a Whistleblower policy; and ensure the Board or a Committee of the Board is informed of any material incidents reported under the policy.*

The Board has a whistleblower policy and is available on the Company's webpage.

**Recommendation 3.4** – *Establish and disclose an Anti-bribery and corruption policy; and ensure the Board or a Committee of the Board is informed of any material incidents reported under the policy.*

The Board has an *Anti-bribery and corruption* policy and is available on the Company's webpage.

#### Principle 4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer state, in writing, to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial position and operational results and are in accordance with relevant accounting standards.

**Recommendation 4.1** – *the board should establish an audit committee*

The Board has an Audit Committee, which:

- Has three members who are Non-Executive Directors;
- Has a written charter which can be obtained from the Corporate Governance section of the Group's website; and
- Includes members who are all financially literate.

Details of the members are disclosed in the Director's Report.

The Board recognises that an independent audit committee is an important feature of good corporate governance.

The Audit Committee:

- consists of three non-executive directors comprising two independent non-executive directors and one non-executive director;
- is chaired by an independent chairman, who is also the Chair of the Board;
- has three members. Given the size and structure of the Board, as discussed in Recommendation 2.1, the Board feels that three members all of whom are financially literate, is sufficient at this time.

The risk with a small committee is that the members will lack the diversity to raise and recognise issues. Risk is managed through specific working arrangements with the auditors having access to the full Board at any time upon their request and through ensuring that the Chairman of the Audit Committee is a well-qualified independent director. It is intended to review this arrangement and adopt the recommended practice if and when the Board composition changes.

The Audit Committee has a formal charter, the key elements of the charter are:

- Role of the Committee;
- Membership;
- Meetings;
- Responsibilities;
- Authority;
- Independence; and
- Non-audit work.

The Board and Audit Committee closely monitor the independence of the external auditor. The Audit Committee meets a minimum of twice a year. The Committee may also meet in private, with management without the external auditor and, at a separate time, with the external auditor without management where considered necessary.

**Recommendation 4.2** – *Prior to approving financial statements the board receive from the CFO and CEO a declaration of properly maintained records and compliance with accounting standards*

The Chief Executive Officer and the Chief Financial Officer state, in writing, to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial position and operational results and are in accordance with relevant accounting standards.

The members of the Audit Committee are:

- Jonathan William Doy (Chairman);
- David John Baird; and
- Jie Ma.

The details of the qualifications of the Audit Committee members are disclosed in the Directors' Report.

The details of the number of Audit Committee Meetings held are contained in the Directors' Report.

Departures from recommendations included in Principle 4 have been disclosed in the discussion of the relevant recommendations.

**Recommendation 4.3** – *Disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

The Group has established its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

## **Principle 5. MAKE TIMELY AND BALANCED DISCLOSURE**

**Recommendation 5.1** – *Establish and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1*

The Group has established procedures to ensure compliance with ASX Listing Rules which require that when an entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.

A Continuous Disclosure Policy and Procedure has been prepared and is available from the Corporate Governance section of the Group's website.

**Recommendation 5.2** – *The Board receives copies of all material market announcements promptly after they have been made.*

The Board currently review and approve all material market announcements prior to their release.

**Recommendation 5.3** – *Copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation*

The Group has established procedures to ensure copy of a new and substantive investor or analyst presentation should be released on the ASX platform ahead of the presentation

## **Principle 6. RESPECT THE RIGHTS OF SECURITY HOLDERS**

**Recommendation 6.1** – *Provide information about itself and its governance via its website*

The Group has a comprehensive website for security holders, included in this website are full governance policies. The Group will regularly review and update the website and contents therein as deemed necessary.

**Recommendation 6.2** – *Establish an investor relations program that facilitates effective two-way communication with investors*

The Group has developed and implemented an investor communication strategy. The Group promotes effective communication with investors and encourages effective participation at the Group's general meetings.

The Group will also provide regular news flow to keep investors and media updated and engaged.

**Recommendation 6.3** – *Disclose how the Company facilitates and encourages participation at meetings of security holders*

The Group has a Shareholder Communication program in place which includes information on how it facilitates and encourages participation at meetings of security holders.

**Recommendation 6.4** – *All substantive resolutions at a meeting of security holders are decided by a poll rather by a show of hands*

The Company will ensure that at least all substantive resolutions at a meeting of security holders are decided by a poll.

**Recommendation 6.5** – *Provide security holders the option to receive communications electronically*

The Company's share registry provider provides this option to all security holders.

## Principle 7. RECOGNISE AND MANAGE RISK

### ***Recommendation 7.1 – The board should establish a risk committee***

The Board recognises that there are a number of complex operational, commercial, financial and legal risks and has in place procedures to safeguard the Group's assets and interests.

A Work Health and Safety Committee has been established to monitor and recommend changes to safe working practices and a safe working environment. The Chairman is not a Director, and the committee comprises of senior executive officers and employee representatives.

The Board has developed a risk management policy the purpose of which is:

- Identify, access, monitor and manage risk;
- Inform investors of material changes to the Group's risk profile;
- Enhance the environment for capitalising on value creation opportunities;
- Ensure compliance with the Corporations Act;
- Consider the reasonable expectations of its stakeholders;
- The measures and procedures in place to comply with these regulations; and
- How compliance with those measures and procedures will be monitored.

A summary of these policies is contained in the Risk Management Statement which is disclosed on the Oldfields website.

The Board is also in the process of establishing a risk committee and anticipated to be set up in the next 3 to 6 months.

### ***Recommendation 7.2 – The board should review the risk management framework annually***

The Group's risk management policy is designed and implemented by the Board of Directors' which meet regularly to identify all major risks, ensure appropriate risk management plans are in place and to monitor the effectiveness of the implementation of the risk management plans.

The Chief Executive Officer and the Chief Financial Officer are required to state in writing to the Board that the Group's risk management and internal compliance and control system is operating effectively and efficiently in all material aspects.

### ***Recommendation 7.3 – The board should disclose whether it has an internal audit function, how the function is structured and what role it performs***

From time to time and as required, the Board will outsource the internal audit function to a company that specialises in this work. The company will review certain areas of controls and compliance and report back to the Chief Executive Officer and/or Chief Financial Officer and manager of the area. This report when finalised with comments from management along with timelines for compliance are provided to the Board for review.

### ***Recommendation 7.4 – Disclose material exposure to material exposure to economic, environmental and social sustainability risk***

The business is exposed to various risks, in particular economic and social sustainability risk. The Board is fully aware of these and these risks are mitigated wherever possible. In terms of social sustainability risk, the Company is a party to the packaging covenant agreement and reviews product packaging for sustainability and recyclability.

## Principle 8. REMUNERATE FAIRLY AND RESPONSIBLY

### ***Recommendation 8.1 – The board should establish a remuneration committee***

The Board has established a Remuneration Committee. The Remuneration Committee is responsible for developing and recommending to the Board:

- Remuneration policies for Non-Executive Directors;
- Remuneration policies for the Chief Executive Officer and Chief Financial Officer;
- Remuneration policies for executive management;
- All aspects of any executive share option or acquisition scheme;
- Superannuation policies;
- Policies which motivate senior executives to pursue the long term growth and success of the Group; and
- Policies which show a clear relationship between senior executives' performance and remuneration.

The Board has a remuneration committee which has three members, comprising two independent non-executive directors, including the Chair, and one non-executive director. It has a documented charter and the members and qualification of the Remuneration Committee are disclosed in the Directors' Report.

The remuneration of Non-Executive Directors is by way of director's fees in the form of cash, non-cash benefits and superannuation benefits.

The total annual remuneration paid to Non-Executive Directors may not exceed the limit set by shareholders at the Annual General Meeting.

Non-Executive Directors do not receive options unless approved by shareholders.

***Recommendation 8.2 – Disclosure of policies and practices of remuneration of non-executive and executive directors as well as other senior executives***

The Group has clearly differentiated the remuneration structure of Executive and Non-Executive Directors as well as other senior executives. The key elements of the remuneration philosophy are disclosed in the Remuneration Committee Charter which is available on the Oldfields website.

***Recommendation 8.3 – Policy on equity based remuneration scheme***

The Company currently does not have an equity based remuneration scheme. Prior to one being implemented and approved by security holders a policy will be established for security holders to review.



# Risk Management Statement

## 1. Introduction

This statement provides an overview of the Group's risk management policies and internal compliance and control systems in accordance with Principle 7 of the ASX Principles of Good Corporate Governance.

## 2. Responsibility

The Board of Directors are responsible for oversight on a regular basis of the Group's procedures and risk management policies. The responsibility of the Board is codified under the Board Charter, which is available on the Group's website. The Group also has an audit committee, the responsibilities of which are documented in the Audit Committee Charter which is also available on the Group's website.

## 3. Risk Management Monitoring

The Board has implemented a combination of internal policies and procedures and use of external audits to monitor risk management and its effectiveness.

### 3.1. Standard Operating Procedures (SOP's)

The Board has implemented risk management policies covering areas of business risk such as:

- Work health and safety;
- Finance and treasury;
- Human resources;
- Asset protection (insurance); and
- Codes of conduct.

The policies referred to are regularly reviewed and an internal mechanism exists whereby the Board and Committee members have access to these reports on an internal intranet site. The Board manages these risks appropriately with reference to identification, implementation and review of these risks and procedures.

### 3.2. External Audits

The external audit of the Group is conducted annually. There is also a formal review at least once every year. Both the audit and review are conducted by an external auditor.

The Group has a Work Health and Safety Committee which has received training and certification by external OH&S providers.

The Group engages with qualified external advisors annually in relation to asset protection. Where possible the Board adopts the most practical and affordable insurance policies suitable to protect major assets of the Group.

In general an external qualified auditor and or valuers are engaged by the Board in determining large asset values on acquisition of assets. An external valuation is obtained to determine and verify carrying values of investment property by an external independent registered property valuer at least every three years where applicable.

### 3.3. Risk Management Statements

The integrity of the Group's financial reports relies on sound business and risk control systems.

Annually, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are required to sign a Risk Management Statement that is provided to the audit committee in writing.

The CEO and CFO sign a statement regarding the adequacy of financial controls in accordance with section 295a of the Corporations Act 2001.

The Board requires management to report on the key business risks for each area of the business at each board meeting.

### 3.4. Internal Audit

Given the Group's size, an internal auditor is not practical. In addition, the presence of an executive director on the Board allows for detailed oversight of risks within each business by managers who are familiar with the risk environment but not directly involved in the management of that particular business. In addition to this the Company from time to time may utilise the services of an internal auditing company to provide oversight of certain aspects of the business.

### 3.5. External Covenants

The Group has voluntarily associated itself with the following self-regulated authorities:

- WGE (Workplace Gender Equality Act): The Group reports annually on targets and policy to an external agency in regards to Equal Opportunity Guidelines and Policy within the work force. The Board receives and reviews this annually; and
- Australian Packaging Covenant: The Group sets targets to reduce packaging waste and environmental impact of packaging waste. Targets are set and guidelines adopted and where possible administered by management. The Board reviews these targets annually.

## 4. Formal Risk Management Practices

The Group operates a formal process for risk management which includes:

- Risk identification;
- Risk analysis;
- Risk evaluation;
- Risk mitigation;
- Risk monitoring and reporting; and
- Risk communication.

The risk management process meets appropriate professional standards and is reviewed annually by the Board of Directors. The process meets, but is not limited to the requirements of Principle 7 of the ASX Principles for Good Corporate Governance.

## 5. Risk Reporting and Communication

Risks are reported and their monitoring and management are communicated in accordance with the diagram below:

| Material Risks  | General Reporting  | Accountabilities                                       |
|---|--|--|
| Board of Directors  |  |  |
| Direct risk response or accept material risk                    | Review and approve risk mitigation strategies or accept risk | Oversight of framework and sufficiency of reporting    |
| Chief Executive Officer (CEO)                                   |  |  |
| Implement risk response or escalate to Board of Directors       | Review and approve risk reporting and mitigation strategies  | Oversight of corporate risks and adequacy of framework |
| Chief Financial Officer (CFO)                                   |  |  |
| Recommend material risk escalation to CEO or Board of Directors | Consolidate risk assessments and prepare summary reporting   | Implement and monitor ERM framework and ERM system     |
| Finance Department  |  |  |
| Identify and report material risks as they arise                | Prepare risk assessments in accordance with ERM framework    | Operationally manage risks and escalate issues         |

### Communication

Effective risk management is reliant on the timely and open communication of actual or potential risk events across the organisation. Free and frank communication is at the heart of the Group's risk management approach, and where the processes and accountabilities described in these standards may not support a suitably rapid response to any risk, then communication should be undertaken using whatever means to achieve the best outcome for the Group.

For the avoidance of doubt, Oldfields Holdings Limited has a whistle-blower policy in place and encourages all staff to report risks of which they are aware.

# Shareholder Information

The shareholder information set below was applicable as at 29 August 2023.

## A. Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

| Shareholder                                      | Ordinary Shares |                             |
|--|-----------------|-----------------------------|
|  | Number Held     | Percentage of Issued Shares |
| EQM Holdings Pty Ltd <The EQM Holdings A/c>      | 85,530,329      | 42.817%                     |
| Mr Williams Lewis Timms & Mrs Carolyn Jane Timms | 39,384,528      | 19.716%                     |
| EQM Holdings Pty Ltd <DMCA A/c>                  | 22,338,461      | 11.183%                     |

## B. Distribution of Equitable Security Holders

| Holding Ranges     | Number of Shareholders |
|--------------------|------------------------|
| 1 – 1,000          | 67                     |
| 1,001 – 5,000      | 73                     |
| 5,001 – 10,000     | 16                     |
| 10,001 – 100,000   | 72                     |
| 100,001 – and over | 51                     |
|                    | <b>279</b>             |

There were 23 holders of less than a marketable parcel of ordinary shares.

## C. Equity Security Holders

The names of twenty largest quoted equity security holders are listed below:

| Shareholder   | Ordinary Shares    |                             |
|---|--------------------|-----------------------------|
|   | Number Held        | Percentage of Issued Shares |
| 1 EQM Holdings Pty Ltd <The EQM Holdings A/c>                 | 85,530,329         | 42.817%                     |
| 2 Mr Williams Lewis Timms & Mrs Carolyn Jane Timms            | 39,384,528         | 19.716%                     |
| 3 EQM Holdings Pty Ltd <DMCA A/c>                             | 22,338,461         | 11.183%                     |
| 4 Bengier Superannuation Pty Limited <Bengier Super Fund A/c> | 6,430,352          | 3.219%                      |
| 5 Dixon Trust Pty Limited                                     | 5,834,863          | 2.921%                      |
| 6 Shandora One Pty Ltd <Bengier Super Fund A/c>               | 3,880,478          | 1.943%                      |
| 7 Mr Rodney Boyce Hass  | 3,880,000          | 1.942%                      |
| 8 Mr Orlando Berardino Di Julio & Ms Catharina Maria Koopman  | 2,929,887          | 1.467%                      |
| 9 Mr Brian Garfield Bengier                                   | 2,470,000          | 1.237%                      |
| 10 Dr Gordon Bradley Elkington                                | 2,227,617          | 1.115%                      |
| 11 JRS Enterprises Pty Ltd <Screnci Super Fund A/c>           | 2,000,000          | 1.001%                      |
| 12 Lymgrange Pty Limited                                      | 1,914,500          | 0.958%                      |
| 13 Starball Pty Ltd   | 1,702,486          | 0.852%                      |
| 14 Hext Family Investments Pty Ltd                            | 1,445,300          | 0.724%                      |
| 15 Mr Paul John Simpson                                       | 1,200,000          | 0.601%                      |
| 16 Citicorp Nominees Pty Limited                              | 1,169,106          | 0.585%                      |
| 17 DJB Investment Co Pty Ltd <DJB Superannuation Fund A/c>    | 1,142,799          | 0.572%                      |
| 18 Oceanridge Limited   | 1,017,050          | 0.509%                      |
| 19 Seven Bob Investments Pty Ltd <R F Cameron Super Fund A/c> | 800,000            | 0.400%                      |
| 20 Man Investments (NSW) Pty Ltd <AMC Super Fund A/c>         | 715,096            | 0.358%                      |
|   | <b>188,012,852</b> | <b>94.121%</b>              |

## D. Unquoted Equity Securities

There are 40,000,000 unlisted and detached warrants issued to PURE Asset Management.

There are also 1,000,000 share options issued to Michael Micallef, CEO and Managing Director of the Company.

## E. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## F. On-Market Buy Back

There is no current on-market buy back.

# Corporate Directory

## Directors

### **Mr Michael Emanuel Micallef**

CEO, Managing Director

### **Mr Jonathan William Doy**

Independent Non-Executive Director

### **Mr David John Baird**

Independent Non-Executive Director

### **Mr Jie Ma**

Non-Executive Director

### **Mr Joseph Screnci**

Independent Non-Executive Director

### **Mr Richard John Abela** (*resigned on 5 December 2022*)

Executive Director

## Company Secretary

### **Mr Ka Lung Alan Lee**

## Notice of Annual General Meeting

The date, time and place of the Annual General Meeting of Oldfields Holdings Limited is to be confirmed.

## Share Register

### **Boardroom Pty Ltd**

Level 12, 225 George Street

Sydney NSW 2000

1300 737 760 (in Australia)

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## Stock Exchange Listing

Oldfields Holdings Limited (ASX Code: OLH)

## Registered Office and Principal Place of Business

8 Farrow Road

Campbelltown NSW 2560

02 4645 0700

## Auditor

### **BDO Audit Pty Ltd**

Level 11, 1 Margaret Street

Sydney NSW 2000

## Website

[www.oldfields.com.au](http://www.oldfields.com.au)