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Appendix 4D & Financial Report for the Half Year Ended 31 December 2010

Oldfields Holdings Limited & Controlled Entities

ABN 92 000 307 988



**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
APPENDIX 4D
HALF-YEAR ENDING 31 DECEMBER 2010**

Results for Announcement to the Market

Comparative period: Half-year ending 31 December 2009

		%	31-Dec-09 \$A '000	31-Dec-10 \$A '000
Revenue from Ordinary Activities	Down	-2.08%	18,043	17,667
Earnings before interest, taxes, depreciation and amortisation (excluding discontinued operations)	Up	81.33%	753	1,365
Loss from ordinary activities after tax attributable to members	Down	-43.43%	(1,803)	(1,020)
Loss for the period attributable to members of the parent entity	Down	-31.58%	(1,703)	(1,165)

Dividends

No dividends have been paid or proposed during the year.
A dividend reinvestment plan is currently in operation.

Net Tangible Assets

		%	30-Jun-10 \$A '000	31-Dec-10 \$A '000
Net Assets	Up	52.53%	from 3,164	4,825
Net Assets (cents per share)			0.113	0.086
Net Tangible Assets	Up	86.56%	from 1,961	3,658
Net Tangible Assets (cents per share)			0.07	0.065

Joint Ventures and Associates

Entity name	Percentage Held	Contribution to Result	31-Dec-09 \$A '000	31-Dec-10 \$A '000
Tangshan Hengfeng Painting Accessories (disposed as at 31 October 2010)	0.0%	(22.3)		(726.4)
PT Ace Oldfields	49.0%	11.8		61.2
Enduring Enterprises	49.0%	(40.7)		9.2
Honeytree & Partners	49.0%	(11.2)		5.4
Brisbane Garden Sheds Pty Limited	50.0%	(5.6)		0.4
			<u>126.9</u>	<u>(656.1)</u>

Audit status

This half-year financial report has been reviewed by the Group's auditors, PKF.



Robert Coleman
Company Secretary

28th February 2011

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the Company and its controlled entities for the half-year ended 31 December 2010.

Directors

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

Christopher Charles Hext	Appointed 29 June 2001
William Lewis Timms	Appointed 18 December 2009
Raymond John Titman	Appointed 23 July 2010
Christopher Michael Giles	Appointed 24 September 2010
Anthony Mankarios	Resigned 23 July 2010

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the financial year were:

- manufacturing and marketing of paint brushes, paint rollers, painters tools and spray guns;
- manufacturing, marketing and exporting of Treco garden sheds, outdoor storage systems, aviaries and pet homes;
- manufacturing and marketing of scaffolding and related equipment; and
- hiring of scaffolding and related products to the building and construction industry.

Manufacturing and marketing of cleaning and personal care products ceased during the period as a result of the orderly wind-down of H&O Products Pty Ltd at 31 October 2010.

Operating Results and Review of Operations for the year

Operating Results

The consolidated group revenue on continuing operations for the six months to 31st December 2010 is \$17,667,244 down 2% from \$18,042,937 in same period in 2009. The consolidated net loss after tax attributable to members for the six months to 31st December 2010 was a loss of \$1,165,495 compared to a loss of \$1,703,485 for the corresponding period to 31st December 2009.

The consolidated earnings before interest, taxes, depreciation and amortisation on continuing operations increased by 81% to \$1,365,000 for the half-year ended 31 December 2010 compared to \$753,000 for half-year ended 31 December 2009. This reflects improved performance from the Scaffold Division.

Review of Operations

(i) Paint Applications Division

The Paint Applications division made a small loss for the half-year but is expected to return to profitability in the second half of the financial year. This will be driven by an expansion of the existing customer base, with initial orders from new entrants to the market expected prior to the end of the financial year and an increase in orders next year.

(ii) Treco Garden Sheds Division

The Treco Garden Sheds division made a loss during the half-year and measures are currently being taken to improve the performance of this division with the progressive closure of loss-generating retail alliances and expansion of the division's distribution network. International sales for the division have been adversely affected by the strong performance of the Australian dollar. However, the international market has remained consistent during the period and is expected to remain so in the future.

(iii) Scaffold Division

The division is performing profitability and slightly above expectations. The business has undergone significant management changes over the last eighteen months with a renewed focus on quality and customer service. Further improvements have been forecast in terms of growing the division's revenue and profitability. The focus over the next 12 months is to bring the division's customer service levels to industry best practice, further develop our international markets, develop new products to complement our existing range and provide our customers with products that meet their scaffolding requirements.

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

(iv) Pt Ace Oldfields Indonesia

Export sales to existing customers are increasing. Domestic sales in Indonesia grew this period with further growth expected in the second half of the financial year. Discussions are currently being held to increase the domestic market within the Indonesian distribution network.

(v) Property

The properties held at St Marys, New South Wales and Archerfield, Queensland have been listed for sale. The consideration on sale of these properties will be used to reduce the overall debt of the

The Group's interest in the Tangshan Hengfeng joint venture was sold during the period and settled on the 25th of February 2011.

(vi) H & O Consumer Products Division

This discontinued division delivered a negative result for the period. The wind down of this division was completed in October 2010. All finished goods and assets were sold and all outstanding commitments honoured.

Financial Position

The net assets of the consolidated group have increased by \$1,661,753 from 30 June 2010. This increase is largely due to the following factors:

- improved working capital management;
- closure of non-performing business units, being H&O Products Pty Ltd and a number of retail alliances within the Treco Garden Sheds division; and
- capital raising as a result of the recent rights issues.

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

Significant Changes in State of Affairs

No significant changes in the consolidated group's state of affairs occurred during the year.

Dividends Paid or Recommended

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

After Balance Date Events

The sale of the Group's investment in the Tangshan Hengfeng joint venture was settled on the 25th of February 2011.

Future Developments, Prospects and Business Strategies

The new management both at a group level and divisional levels intend to focus on the core business of the group in the coming year to drive marketing and sales.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 4 of the half-year report.

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



**Raymond Titman
Director**

28th February 2011

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

The director's declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the director's opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors.



**Raymond Titman
Director**

28th February 2011

Auditor's Independence Declaration

As lead auditor for the review of Oldfields Holdings Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

PKF

PKF
Paul Bull
Partner
Sydney, 28 February 2011

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**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated Half-year ended	
	31 Dec 10	31 Dec 09
	\$	\$
Revenue	17,667,244	18,042,937
Cost of sales	(8,898,512)	(9,733,798)
Gross profit	8,768,732	8,309,139
Other income	454,305	234,523
Distribution expenses	(5,698,993)	(6,116,638)
Marketing expenses	(389,340)	(449,010)
Occupancy expenses	(811,158)	(551,070)
Administrative expenses	(1,617,364)	(1,477,764)
Impairment expense	(99,831)	-
Finance costs	(748,455)	(754,303)
Share of net profit(loss) of associates and joint ventures	76,072	(45,639)
Loss before income tax	(66,032)	(850,762)
Income tax expense	(204,384)	(136,500)
Loss from continuing operations	(270,416)	(987,262)
Discontinued operations		
(Loss)/profit for the year from discontinued operations after tax	(749,796)	(816,226)
Loss for the year	(1,020,212)	(1,803,488)
Other comprehensive income:		
Movement in revaluation reserve on disposal of investment	68,705	-
Recognition of share option expense	-	29,449
Effective portion of gain/(loss) on cash flow hedges	48,651	60,812
Exchange differences on translating foreign controlled entities	278,142	16,225
Other comprehensive income for the year, net of tax	395,498	106,486
Total comprehensive income for the year	(624,714)	(1,697,002)
Loss attributable to:		
Members of the parent entity	(1,165,495)	(1,703,485)
Non-controlling interest	145,283	(100,003)
	(1,020,212)	(1,803,488)
Total comprehensive income attributable to:		
Members of the parent entity	(769,997)	(1,596,999)
Non-controlling interest	145,283	(100,003)
	(624,714)	(1,697,002)
Overall Operations		
Basic earnings per share (cents per share)	(2.80)	(9.98)
Diluted earnings per share (cents per share)	(2.80)	(9.98)
Continuing Operations		
Basic earnings per share (cents per share)	(0.74)	(5.47)
Diluted earnings per share (cents per share)	(0.74)	(5.47)
Discontinued Operations		
Basic earnings per share (cents per share)	(2.06)	(4.51)
Diluted earnings per share (cents per share)	(2.06)	(4.51)

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Consolidated Group	
	31 Dec 10	30 Jun 10
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,550,674	316,776
Trade and other receivables	4,439,300	6,437,921
Inventories	5,316,828	6,272,925
Derivatives	-	9,241
Other assets	998,612	480,631
TOTAL CURRENT ASSETS	14,305,414	13,517,494
NON-CURRENT ASSETS		
Investments accounted for using the equity method	1,212,179	2,712,355
Other financial assets	11,741	-
Property, plant and equipment	12,221,905	13,006,389
Investment property	2,202,245	2,205,320
Deferred tax assets	59,000	61,031
Intangible assets	1,167,335	1,202,811
TOTAL NON-CURRENT ASSETS	16,874,405	19,187,906
TOTAL ASSETS	31,179,819	32,705,400
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	5,061,147	6,652,925
Borrowings	2,386,006	3,188,506
Current tax liabilities	169,013	97,934
Short-term provisions	1,006,291	1,151,847
Derivatives	35,215	-
TOTAL CURRENT LIABILITIES	8,657,672	11,091,212
NON-CURRENT LIABILITIES		
Borrowings	17,642,271	18,303,166
Deferred tax liabilities	1,694	-
Other long-term provisions	52,754	147,347
TOTAL NON-CURRENT LIABILITIES	17,696,719	18,450,513
TOTAL LIABILITIES	26,354,391	29,541,725
NET ASSETS	4,825,428	3,163,675
EQUITY		
Issued capital	18,755,501	15,657,109
Reserves	(1,537,597)	(1,105,124)
Retained earnings	(11,206,344)	(10,077,824)
Parent interest	6,011,560	4,474,161
Non-controlling interest	(1,186,132)	(1,310,486)
TOTAL EQUITY	4,825,428	3,163,675

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Issued Capital	Retained Earnings	Cash Flow Hedge Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Option Reserve	Non- controlling interests	Total
Consolidated Group	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2009	12,141,959	(2,806,425)	(60,812)	180,911	(1,191,829)	112,777	(189,084)	8,187,497
Loss attributable to members of parent entity	-	(1,703,485)	-	-	-	-	-	(1,703,485)
Loss attributable to non-controlling interests	-	-	-	-	-	-	(100,003)	(100,003)
Total other comprehensive income for the year	-	-	60,812	-	16,225	29,449	-	106,486
Transactions with owners in their capacity as owners:								
Shares issued during the year	2,831,327	-	-	-	-	-	-	2,831,327
Sub-total	14,973,286	(4,509,910)	-	180,911	(1,175,604)	142,226	(289,087)	9,321,822
Dividends paid or provided for	-	-	-	-	-	-	(52,500)	(52,500)
Balance at 31 December 2009	14,973,286	(4,509,910)	-	180,911	(1,175,604)	142,226	(341,587)	9,269,322
Balance at 1 July 2010	15,657,109	(10,077,824)	9,241	68,705	(1,325,296)	142,226	(1,310,486)	3,163,675
Loss attributable to members of parent entity	-	(1,165,495)	-	-	-	-	-	(1,165,495)
Profit attributable to non-controlling interests	-	-	-	-	-	-	145,283	145,283
Total other comprehensive income for the year	-	-	(48,651)	(68,705)	(278,142)	-	-	(395,498)
Transfer between retained earnings and reserves	-	36,975	-	-	105,251	(142,226)	-	-
Adjustments to opening non-controlling interests	-	-	-	-	-	-	(20,929)	(20,929)
Transactions with owners in their capacity as owners:								
Shares issued during the year	3,098,392	-	-	-	-	-	-	3,098,392
Sub-total	18,755,501	(11,206,344)	(39,410)	-	(1,498,187)	-	(1,186,132)	4,825,428
Dividends paid or provided for	-	-	-	-	-	-	-	-
Balance at 31 December 2010	18,755,501	(11,206,344)	(39,410)	-	(1,498,187)	-	(1,186,132)	4,825,428

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated Group	
	31 Dec 10	31 Dec 09
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	19,691,654	25,510,186
Rent received	99,945	156,997
Interest received	2	31
Payments to suppliers and employees	(19,550,854)	(25,379,260)
Finance costs	(772,204)	(483,827)
Income tax paid	(151,742)	(221,592)
Interest paid to Director's Loan	(3,333)	(19,634)
Net cash used in operating activities	<u>(686,532)</u>	<u>(437,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	354,867	27,700
Payment for businesses acquired	-	(481,088)
Proceeds from disposal of shares in subsidiary	1,079,137	174,100
Purchase of property, plant and equipment	(325,795)	(164,295)
Net cash provided by/(used in) investing activities	<u>1,108,209</u>	<u>(443,583)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Overdraft restructure to non-current borrowings	1,000,000	-
Proceeds from borrowings	379,487	100,000
Repayment of borrowings	(557,720)	(1,127,272)
Proceeds from issue of additional shares	2,863,592	1,671,641
Net cash used in financing activities	<u>3,685,359</u>	<u>644,369</u>
Net increase(decrease) in cash held	4,107,036	(236,313)
Cash and cash equivalents at beginning of financial year	<u>(2,160,665)</u>	<u>(953,879)</u>
Cash and cash equivalents at end of financial year	<u>1,946,371</u>	<u>(1,190,192)</u>

The accompanying notes form part of these financial statements.

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Note 1 Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes to the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136, and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and have no affect on the amounts reported for the current or prior periods.

Note 2 Going Concern

The Group made a loss for the half-year ended 31 December 2010 of \$1,020,212 and had a net cash outflow from operating activities of \$686,532. These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going

Notwithstanding, the directors' believe that the Group will continue to operate as a going concern for the following reasons:

- The recent rights issue has recapitalised the Group, enabling funding of future growth initiatives;
- The Paint Applications Division is expected to benefit from changes in the hardware market in Australia;
- Economic conditions have improved, particularly in the construction industry, the benefits of which have been experienced in the Scaffold
- Rationalisation of the Treco Garden Sheds Division has commenced and is expected to be finalised in the next few months which will provide ongoing cost savings;
- The properties held at St Marys, New South Wales and Archerfield, Queensland have been listed for sale. The consideration on sale of these properties will be used to reduce the overall debt of the Group; and
- The Group's debts are being paid as and when they fall due.

Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 3 Reconciliation of cash

	Consolidated Group	
	31 Dec 10	31 Dec 09
	\$	\$
Cash at the end of the half-year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3,550,674	1,857,582
Bank overdrafts	(1,604,303)	(3,047,774)
	<u>1,946,371</u>	<u>(1,190,192)</u>

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Note 4 Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since 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

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.

The Group has identified the following reportable segments:

- Wholesale/Retail
- Scaffold Division
- Consumer Products
- Property Division
- Corporate Division

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

(i) Segment performance

	Wholesale Retail \$	Scaffolding \$	Consumer \$	Property \$	Corporate \$	Total \$
31 December 2010						
Continuing operations						
Revenue						
External sales	7,425,966	10,271,899	-	-	-	17,697,865
Other revenue	53,921	274,887	-	202,114	2,417,839	2,948,761
Inter-segment elimination						(2,525,077)
Total segment revenue	7,479,887	10,546,786	-	202,114	2,417,839	18,121,549

Segment net profit before tax

Reconciliation of segment result to group net loss before tax

Net profit before tax	(415,613)	556,988	(33,329)	(58,726)	53,677	102,998
Inter-segment elimination						(169,030)
Net loss before tax from continuing operations						<u>(66,032)</u>

Discontinued operations

Revenue

External sales	10,810	-	1,035,342	-	-	1,046,152
Other revenue	-	-	809,067	-	-	809,067
Total segment revenue	10,810	-	1,844,409	-	-	1,855,219

Segment net profit before tax

Net loss before tax from discontinued operations	(764,047)	-	14,250	-	-	<u>(749,797)</u>
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	Wholesale Retail \$	Scaffolding \$	Consumer \$	Property \$	Corporate \$	Total \$
31 December 2009						
REVENUE						
External sales	7,913,885	10,138,677	-	-	-	18,052,562
Other revenue	105,710	347,970	156,000	237,325	2,793,208	3,640,213
Inter-segment elimination						(3,415,315)
Total segment revenue	8,019,595	10,486,647	156,000	237,325	2,793,208	18,277,460

Segment net profit before tax

Reconciliation of segment result to group net loss before tax

Net loss before tax	(213,540)	(270,453)	(107,437)	674	(33,021)	(623,777)
Inter-segment elimination						(226,985)
Net loss before tax from continuing operations						<u>(850,762)</u>

Discontinued operations

Revenue

External sales	123,418	-	3,177,178	-	-	3,300,596
Other revenue	275	-	455	-	-	730
Total segment revenue	123,693	-	3,177,633	-	-	3,301,326

Segment net profit before tax

Net loss before tax from discontinued operations	(60,034)	-	(756,192)	-	-	<u>(816,226)</u>
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**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Note 4 Segment Information (continued)

(ii) Revenue by geographical region

	Wholesale Retail \$	Scaffolding \$	Consumer \$	Property \$	Corporate \$	Total \$
31 December 2010						
Australia	8,063,171	10,866,076	1,844,409	202,114	2,417,839	23,393,609
South East Asia	-	1,646,748	-	-	-	1,646,748
Segment elimination	(572,474)	(1,966,038)	-	-	-	(2,538,512)
Inter-segment elimination						(2,525,077)
Total revenue	7,490,697	10,546,786	1,844,409	202,114	2,417,839	19,976,768
	Wholesale Retail \$	Scaffolding \$	Consumer \$	Property \$	Corporate \$	Total \$
31 December 2009						
Australia	8,845,506	11,356,971	3,333,633	237,325	2,793,208	26,566,643
South East Asia	-	1,810,710	-	-	-	1,810,710
Segment elimination	(702,218)	(2,681,034)	-	-	-	(3,383,252)
Inter-segment elimination						(3,415,315)
Total revenue	8,143,288	10,486,647	3,333,633	237,325	2,793,208	21,578,766

Note 5 Discontinued operations

(i) Tangshan Hengfeng Paint Accessories Co.

On 31 October 2010, the Group disposed of its 47.5% interest in Tangshan Hengfeng Paint Accessories Co. The proceeds from the sale of this investment were \$1,079,137 which were received upon settlement on 25 February 2011. The loss on disposal of this investment was \$725,349 which has been included as part of the loss from discontinued operations for the half-year.

	4 months ending 31 Oct 10 \$	6 months ending 31 Dec 09 \$
Share of net loss of associates and joint ventures	(1,049)	(22,341)
Loss on disposal of investment in joint venture	(725,349)	-
	(726,398)	(22,341)

(ii) H&O Products Pty Ltd

On 31 October 2010, H&O Products Pty Ltd, the Group's consumer products division, was wound down. The loss for the period from the discontinued operation is as follows:

	4 months ending 31 Oct 10 \$	6 months ending 31 Dec 09 \$
Revenue	1,025,342	3,177,178
Cost of sales	(1,388,425)	(3,258,991)
Gross profit	(363,083)	(81,813)
Other income	809,067	455
Distribution expenses	(125,894)	(286,350)
Marketing expenses	(51,420)	(41,606)
Occupancy expenses	(173,773)	(175,135)
Administrative expenses	(43,657)	(52,946)
Impairment expense	(2,923)	-
Finance costs	(36,489)	(118,797)
Profit/(loss) before income tax	11,828	(756,192)

(iii) Adelaide Garden Sheds Pty Ltd

On 31 August 2010, Adelaide Garden Sheds Pty Ltd, one of the Group's retail alliances, was wound down. The loss for the period from the discontinued operation is as follows:

	2 months ending 31 Aug 10 \$	6 months ending 31 Dec 09 \$
Revenue	10,810	123,418
Cost of sales	(13,594)	(59,008)
Gross profit	(2,784)	64,410
Other income	-	275
Distribution expenses	(22,348)	(73,168)
Marketing expenses	(2,708)	(15,346)
Occupancy expenses	(6,285)	(11,970)
Finance costs	(1,102)	(1,894)
Loss before income tax	(35,227)	(37,693)

**OLDFIELDS HOLDINGS LIMITED ABN: 92 000 307 988
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

Note 6 Capital Raising

On 21 July 2010, the company issued 5,067,308 ordinary shares at \$0.17 per share on the basis of 1 for every 2 shares held, raising \$861,442.

The recent capital raising by way of pro-rata, non-renounceable rights was completed on 30 November 2010. The company issued an additional 22,980,534 ordinary shares at \$0.10 per share on the basis of 1 share for every 1 share held, raising \$2,298,053.

Note 7 Commitments & Contingencies

There have been no significant movements in commitments or contingencies since the previous annual reporting period, being 30 June 2010.

Note 8 Events After the Reporting Period

The sale of the Group's investment in the Tangshan Hengfeng joint venture was settled on the 25th of February 2011.

There have been no other significant events which have occurred since 31 December 2010.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OLDFIELDS HOLDINGS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oldfields Holdings Limited which comprises the consolidated statement of financial position as at 31 December 2010, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises Oldfields Holdings Limited (the company) and the entities it controlled at 31 December 2010 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Oldfields Holdings Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,020,212 during the half-year ended 31 December 2010 and experienced cash outflows from operations of \$686,532 for the same period. This and other matters in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.


PKF**Paul Bull**
Partner**Sydney, 28 February 2011**