

Previous GO2 Building Pty Ltd Client Placed into Receivership – GO2 becomes Unsecured Creditor

The GO2 People Ltd (“GO2”) through its Building division (GO2 Building Pty Ltd) – which has been significantly scaled back as part of the Group’s recently-announced restructure – had previously constructed and delivered five transportable display homes for the Meadowbrooke Lifestyle Village in Boyanup (near Bunbury), Western Australia being developed by Preston Green Pty Ltd (“Preston Green”).

Preston Green has, to date, on-sold three of these display homes. GO2 had secured its interest in the display homes via an entry in the Personal Property Securities Register (PPSR).

On 13 September 2019, Preston Green was placed into voluntary administration, and shortly thereafter Receivers & Managers were appointed by Preston Green’s secured lender, who holds a first registered mortgage over the land. At that time GO2 provided evidence of its security interest to both the Receivers and Administrators and expected to receive payments from forthcoming settlements honouring the security interest.

On Friday 11 October 2019, the sale of a further display home settled. GO2 did not receive funds at settlement as expected and, when challenged, the Receivers and Managers have raised a technical legal issue with the registration of GO2’s PPSR interest. Whilst this does not negate GO2’s right to receive payment for the two houses, it does leave it as an unsecured creditor of Preston Green.

The short-term impact of this situation is the non-receipt of some \$450,535 in cash proceeds that GO2 was expecting to receive prior to the end of December 2019, and a likely impairment of \$409,577 to earnings for the first half of FY20.

GO2 continues to explore its options for challenge or recovery – either against the Receivers & Managers of Preston Green or against its previous legal advisors who devised and registered the PPSR interest – and will update the market further in due course.





For more information, please contact:

Paul Goldfinch

Co-Founder / Investor Relations

0479 193 903

paulg@thego2people.com.au

About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of vertically integrated recruitment, building and training services to industry throughout Australia.

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes a number of national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division is a multidisciplinary construction company offering a range of construction and project management services in remote and regional areas of Australia. GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering both accredited and non-accredited workplace training and education courses.

The day to day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

To learn more please visit: www.thego2people.com.au

