



8/02/18

ASX announcements

Attention: Manager ASX announcements

Re: General Manager Appointment / Trading Update.

We are pleased to announce the appointment of Mr Paul Vranich to the role of General Manager. Paul has extensive sales and marketing experience including the recruitment, training and managing a sales team for peak performance. This aligns with the Company's focus on expanding its sales network and increasing sales revenues.

The group is expecting to finish the 6 month period, ending 31 Dec 2017, with an operational loss of approximately \$1.57 million. This includes \$0.15 million in non-cash items, as well as \$0.12 million in 'one off' inventory stock adjustments.

This Company's position is expected to improve in in the second half of this financial year (to 30 June 2018) due to the current ramp up of sales order pipeline resulting from contracts recently won by Gregory Commercial Furniture and Inventis Technologies. The second half is expected to be profitable and thus reduce the overall loss for the year to be in the order of \$1.3 million.

The financial stability of the group has been maintained and enhanced with the recent \$1.04 million Rights issue as well as an extension of the group's loan terms to 2020. The loans provided by the group's financiers are currently being re-structured to provide additional headroom to account for the expected sales during the second half of this financial year.

In recent years, the group was restructured to be a profitable enterprise. Whilst the first half result is unacceptable, the Group remains committed to expanding the business and developing quality products to achieve the desired sale volumes and bottom line results.

I thank our staff and our board for their continuing efforts and support during what has been a challenging six- month period.



Tony Noun
Chairman

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