

## WestStar Quarterly Review – Q3 FY2017

### ASX Release

28 April 2017

**WESTSTAR  
INDUSTRIAL LIMITED**  
ACN 119 047 693

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Subiaco, WA, 6008

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#### Contact:

Philip Re  
Bert Mondello

#### Directors:

Lay Ann Ong  
Bert Mondello  
Philip Re

#### Secretary:

Andrew Metcalfe

#### Issued Capital:

228,951,141 shares

#### ASX Symbol:

WSI

### Activity Highlights:

- Board and Executive leadership changes made, with Company now firmly focussed on unlocking the value of current operations
- Strategic placement completed raising ~\$300k to fund new project pipeline
- New contracts and contract extensions awarded to WestStar business Precast Australia Pty Lt ("**Precast**") across multiple markets
- Customer portfolio includes Multiplex, FMG and Perkin Builders Pty Ltd
- The Company continues to actively tender for substantial works.

The Directors of **WestStar Industrial Limited** (the "Company", ASX: WSI) are pleased to report on the Company's performance for the quarter ended 31 March 2017.

### COMPANY FINANCIAL OVERVIEW

During the March 2017 quarter, the Company banked total net cash receipts of ~\$817,000 (Q2 FY2017: \$1,428,000). Receipts were down mainly as a result of timing for payment of works completed by Precast. Since the end of the March quarter, the Company has banked further delayed receipts from Tier 1 contractors with ~\$330,000 received in the first week of April 2017.

Operating payments for the quarter totalled ~\$828,000 (Q2 FY2017: \$1,114,000). A focus of the new executive team is implementing cost saving measures including seeking improved payment terms from key suppliers as well as reducing labour costs.

### PRECAST OPERATIONS

The Company is actively tendering for work and a summary of contract wins was announced March post quarter end. The announced order book included new contracts and additional works for customers in the Commercial, Aged care, Hospitality, Marine and Residential Construction and Mining markets with a total combined contract value in excess of \$4 million.

The award of these contracts and contract extensions is a direct result of implementing the Company's new Supply and Installation business model and is a strong endorsement of the efficiency and quality of work being achieved by Precast. With its new quality casting beds and electromagnetic formwork systems the Company is ready to significantly scale-up production.

**CORPORATE**

On 28 March 2017, the Company announced the appointment of two new Non-Executive Directors who have broad corporate finance experience; Mr Bert Mondello and Mr Philip Re.

Bert Mondello has more than 20 years' experience across both the private and public sectors. Mr Mondello has substantial capital markets experience and knowledge of equity markets having participated in company restructures, IPOs, RTOs, investor placements and seed raisings.

Philip Re has been a Director for a number of publicly listed and unlisted companies involving transactions in property development and investment, technology, education, mining exploration and production, and the renewable energy industry. He has been directly involved in Raising Capital, Merger & Acquisitions, Initial Public Offers and Reverse Takeovers for various ASX listed companies and unlisted property syndicates.

In addition, the Company announced that it has successfully placed 29.8M ordinary shares at 1 cent per share to sophisticated and professional investors.

These two strategic initiatives – the director appointments and the capital raising –support the Company's objective to unlock the value of current operations and pursue growth opportunities.

Post quarter end, the Company entered into a convertible note agreement which, pending shareholder approval will facilitate the conversion of a debt owing to the Noteholder of \$232,011 provided under a working capital facility into equity in the Company. This agreement will refresh the facility balance to \$1M undrawn, which will remain available as required, at no cost.

**-Ends-**

**For further information please contact:****Philip Re**

Non-Executive Director  
pre@regencypartners.com.au

**Bert Mondello**

Non-Executive Director  
bmondello@regencypartners.com.au

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

WESTSTAR INDUSTRIAL LIMITED

**ABN**

38 119 047 693

**Quarter ended ("current quarter")**

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	817	3,245
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(828)	(3,679)
(c) advertising and marketing	-	-
(d) leased assets	(175)	(638)
(e) staff costs	(203)	(547)
(f) administration and corporate costs	(117)	(518)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	26
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(169)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(505)</b>	<b>(2,273)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(145)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	373
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>228</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	300	3,556
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(358)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(748)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>300</b>	<b>2,450</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	792	182
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(505)	(2,273)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	228
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	2,450

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>587</b>	<b>587</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter* \$A'000
5.1	Bank balances	587	792*
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>587</b>	<b>792*</b>

\*Adjusted from \$935k as previous quarter incorrectly reflected a security bond as cash

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	94
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' fees and salaries paid to executive and non-executive directors. Termination payments were made to previous directors during this quarter in accordance with respective agreements.  
All payments are on normal commercial terms.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	12
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Reimbursement of travel and other expenses related to performing directors' duties.

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	232
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Loan from WestStar Precast Pte Ltd, a director related entity, secured with an interest rate of BBSY+6% on drawn down balance. Since quarter end, the Company has entered into a convertible note to reduce the drawn amount to nil (announced 26/4/17). This facility will remain open and available as required.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(1,100)
9.3 Advertising and marketing	-
9.4 Leased assets	(200)
9.5 Staff costs	(200)
9.6 Administration and corporate costs	(100)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,600)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....  
(Director)

Date: 28 April 2017 .....

Print name: Bert Mondello .....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.