

WestStar Quarterly Review – Q4 FY2017

ASX Release

28 July 2017

**WESTSTAR
INDUSTRIAL LIMITED**
ACN 119 047 693

Suite 1, Ground Floor
437 Roberts Road
Subiaco, WA, 6008

Tel: +61 8 9466 9018
Fax: +61 8 9381 1122

Contact:

Philip Re
Bert Mondello

Directors:

Lay Ann Ong
Bert Mondello
Philip Re

Secretary:

Derek Hall

Issued Capital:

354,087,949 shares
155,000,000 options

ASX Symbol:

WSI
WSIO

Activity Highlights:

- Execution of new supply and install strategy directly results in **\$7 Million** of contract wins for WestStar business Precast Australia Pty Ltd ("**Precast**") since the start of the quarter
- Oversubscribed placement of **\$1.5 million** completed to accelerate and support Precast operations as project pipeline transitions into actual contract awards
- New customer portfolio includes the **Salini Impregilo / NRW Joint Venture** and **Scentre Group**
- This blue-chip portfolio endorses Precast as one of country's leading precast supply and install operators in Tier 1 construction
- 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 30 June 2017.

PRECAST OPERATIONS

The Company's tendering based on the new Supply and Installation business model has paid significant dividends with key initial contracts won on large projects which should translate into further work, either in continuation of these projects or others in the clients' portfolios.

During the quarter, Precast was awarded a new contract with the Salini Impregilo - NRW Joint Venture on the Forrestfield-Airport Link Project. The Forrestfield-Airport Link is one of Western Australia's most transformational public transport projects, consisting of a train line connecting Forrestfield to the city, opening up Perth's eastern suburbs to rail for the first time.

Under the contract, Precast Australia will supply feature architectural precast concrete retaining walls for the Project. The contract is one of the initial awards for a Project which will require substantial volumes of prefabricated concrete.

Subsequent to period end, the Company announced that it had been awarded a key contract in the redevelopment of the Westfield Carousel Shopping Centre by Australia's biggest retail landlord Scentre Group. Under the contract awarded by Scentre Group, Precast Australia will supply and install precast architectural facades for Westfield Carousel. Westfield Carousel and its redevelopment is one of several flagged for the Scentre Group portfolio.

Ultimately, the new casting beds and electromagnetic formwork systems of the Company are delivering quality products which are being recognised by the market. The Company is ready to significantly scale-up production which will come with the latest contract wins.

CORPORATE

On 22 May 2017, the Company announced the completion of an oversubscribed placement to sophisticated and professional investors raising \$1.5 million. The placement proceeds are being used to fund working capital for Precast and allow it to execute on anticipated further contract wins, as and when they occur. The executive team are also assessing other opportunities to compliment Precast in the construction industry.

COMPANY FINANCIAL OVERVIEW

During the June 2017 quarter, the Company banked total net cash receipts of ~\$1,038,000 (Q3 FY2017: \$817,000). Receipts were up on the prior quarter, based on increased activity in the sector. Substantial works have commenced on new contracts during the current month (July 2017).

Operating payments for the quarter totalled ~\$825,000 (Q3 FY2017: \$828,000). This is largely consistent with the prior period however further cost saving measures have been implemented and are anticipated to flow through in the next quarter.

-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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,038	4,283
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(825)	(4,504)
(c) advertising and marketing	-	-
(d) leased assets	(168)	(806)
(e) staff costs	(206)	(753)
(f) administration and corporate costs	(251)	(769)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	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)
1.9 Net cash from / (used in) operating activities	(412)	(2,685)

2. Cash flows from investing activities		
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 (12 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
2.6	Net cash from / (used in) investing activities	-	228

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,500	5,056
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	(116)	(474)
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)	-	-
3.10	Net cash from / (used in) financing activities	1,384	3,834

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	587	182
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(412)	(2,685)
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)	1,384	3,834

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,559	1,559

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	1,559	1,559
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,559	1,559

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

27

-

Directors' fees and salaries paid to executive and non-executive directors.
All payments are on normal commercial terms.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

43

-

Corporate advisory, secretarial, accounting and administrative support. Reimbursement of travel and other expenses related to performing directors' duties.

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

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.

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

1,000

-

-

-

-

-

Loan from WestStar Precast Pte Ltd, a director related entity, secured with an interest rate of BBSY+6% on drawn down balance. This facility is open and available as required.

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

-

9.2 Product manufacturing and operating costs

(750)

9.3 Advertising and marketing

-

9.4 Leased assets

(170)

9.5 Staff costs

(180)

9.6 Administration and corporate costs

(100)

9.7 Other (provide details if material)

-

9.8 Total estimated cash outflows

(1,200)

**10. Acquisitions and disposals of
business entities
(items 2.1(b) and 2.2(b) above)**

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: 
(Company Secretary)

Date: 28 July 2017

Print name: Derek Hall

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.