

23 November 2017

Madeleine Green, Adviser, Listings Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park, 152-158 St Georges Terrace  
Perth WA 6000  
Via email: Madeleine.Green@asx.com.au

Dear Madeleine,

#### **APPENDIX 4C QUERY**

In reference to your letter of 20 November 2017 regarding the Appendix 4C quarterly report for the period ended 30 September 2017 lodged with the ASX on 31 October 2017, the response to your five queries in number order is as follows:

1. WestStar Industrial Limited ("WSI" or the "Company") expects to report positive operating cash flows in the current quarter being Q2 FY2017. As advised in the Company's Appendix 4C, the Company's subsidiary Precast Australia Pty Ltd commenced work on substantial projects (namely the Westfield Carousel Shopping Centre redevelopment for Scentre Group and the Forrestfield-Airport Link for the Salini-Impregilo / NRW Joint Venture) during the current quarter. Work completed on these projects and others won during the period is anticipated to result in an uplift in revenue and receipts over and above more recent periods where negative operating cash flows have been reported.

It should be noted that the Company is an operating business that generates cash inflows each quarter. Per the requirements of Section 9 of the Appendix 4C, the summary of anticipated cash outflows including the cost of goods sold (which is modelled on receipts), does not include any anticipated cash inflows including receipts from customers.

Per the Company's Appendix 4C, Precast Australia Pty Ltd continues to experience strong levels of tender activity and heightened interest in its product offering. Subsequent to the Appendix 4C, the Company's other business SIMPEC Pty Ltd was awarded its first contract. This business is expected to have a further positive impact on revenues and receipts as it gains traction in the engineering contracting market.

2. From the Company's Annual General Meeting Notice released on 31 October 2017, the Company is seeking approval from shareholders of a future placement of shares.

Apart from this, the Company does not have immediate plans to raise further funding. The Company continues to regularly monitor its cash requirements and sources of funding and is confident that future funding will be available to it through operating income, equity, debt or combination of these sources.

3. The Company expects to be able to continue its operations and to meet its business objectives based on:
  - Improved quarter cash inflows and comparatively reduced cash outflows from Q2 FY2017 onward.
  - The Company's demonstrated ability to raise further cash to fund the operations if required.
4. The Company is in compliance with Listing Rule 3.1.
5. It is confirmed that the responses to the questions above have been authorised and approved by the Board of Directors.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D Hall'.

Derek Hall  
Company Secretary



20 November 2017

Mr Derek Hall  
Company Secretary  
Weststar Industrial Limited  
Suite 1, Ground Floor  
437 Roberts Road  
SUBIACO WA 6008

By email:

Dear Mr Derek Hall

**Westar Industrial Limited (“WSI”): Appendix 4C Query**

I refer to WSI’s Appendix 4C quarterly report for the period ended 30 September 2017 lodged with ASX Market Announcements Platform and released on 31 October 2017 (the “Appendix 4C”).

ASX notes that WSI has reported:

- negative net operating cash flows for the quarter of \$603,000;
- cash at the end of the quarter of \$1,131,000; and
- estimated cash outflows for the next quarter of \$1,400,000.

It is possible to conclude, based on the information in the Appendix 4C, that if WSI were to continue to expend cash at the rate indicated by the Appendix 4C, WSI may not have sufficient cash to continue funding its operations. In view of that, ASX asks WSI to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does WSI expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has WSI taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does WSI expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that WSI is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that WSI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WSI with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that WSI considers may be relevant to ASX forming an opinion on whether WSI is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5pm AWST on Thursday, 23 November 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in WSI's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, WSI's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [Madeleine.green@asx.com.au](mailto:Madeleine.green@asx.com.au) or [TradingHaltsPerth@asx.com.au](mailto:TradingHaltsPerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to WSI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted WSI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in WSI's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

*[Sent electronically without signature]*

Madeleine Green  
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E: [Madeleine.Green@asx.com.au](mailto:Madeleine.Green@asx.com.au)