WESTSTAR INDUSTRIAL

ABN 38 119 047 693

Appendix 4D

for the Half-year Ended

31 December 2018

WestStar Industrial Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	WestStar Industrial Limited
ABN:	38 119 047 693
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

	HY 31 Dec 2018 $	HY 31 Dec 2017 $	Up/Down	Change $	Change %
Revenues from ordinary activities	10,333,281	3,059,254	Up	7,274,027	238%
Loss from ordinary activities after tax attributable to the owners of WestStar Industrial Limited	(1,402,782)	(2,084,004)	Up (loss decreased)	681,222	33%
Loss for the half-year attributable to the owners of WestStar Industrial Limited	(1,402,782)	(2,084,004)	Up (loss decreased)	681,222	33%

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the half - year ended 31 December 2018 (no dividend paid)	-	-

Comments
The loss after tax for the half-year ended 31 December 2018 was $1,402,782 (31 December 2017 loss: $2,084,004).

Revenue for the Group was $10,333,281 for the six months ending 31 December 2018, representing the Group's highest ever recorded half-year revenue result and an increase of more than 230% over the prior corresponding period (31 December 2017: revenue of $3,059,254).

The Group incurred an after-tax loss attributed to members of $1,402,782 for the half year ending 31 December 2018 (31 December 2017: loss of $2,084,004). The Company is moving towards a cashflow positive position on the back of increased trading of its engineering contracting subsidiary SIMPEC Pty Ltd.

The Directors have resolved that based on all available facts and information currently available, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and therefore operating as a going concern.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.35)	(0.08)

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
None	-	-	-	-

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7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The 2018 Half-Year report is based upon accounts that were reviewed by the Company’s auditor are not subject to a modified opinion. The report does include an emphasis of matter regarding the going concern basis of preparation of the interim financial accounts.

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8. Attachments

Details of attachments (if any):

The Interim Report of WestStar Industrial Limited for the half-year ended 31 December 2018 is attached.

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9. Signed

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Date: 28 February 2019

Bert Mondello
Director

West Star Industrial

ABN 38 119 047 693

Financial Report for the Half-year Ended

31 December 2018

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CORPORATE DIRECTORY

Directors
Mr Lay Ann Ong (Non-Executive Chairman)
Mr Bert Mondello (Non-Executive Director)
Mr Philip Re (Non-Executive Director)

Company Secretary
Mr Derek Hall

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Criterion Audit Pty Ltd
PO Box 2138
Subiaco WA 6008

Stock Exchange
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)

ASX Code
WSI

DIRECTORS' REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the half-year ended 31 December 2018. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Lay Ann Ong	Non-Executive Chairman
Mr Bert Mondello	Non-Executive Director
Mr Philip Re	Non-Executive Director

RESULTS OF OPERATIONS

Revenue for the Group was $10,333,281 for the six months ending 31 December 2018, representing the Group's highest ever recorded half-year revenue result and an increase of more than 230% over the prior corresponding period (31 December 2017: revenue of $3,059,254).

The Group incurred an after-tax loss attributed to members of $1,402,782 for the half year ending 31 December 2018 (31 December 2017: loss of $2,084,004). Several non-cash expenses are recorded in the Company's accounts. Adding these items back indicates that underlying operating performance is moving closer to a cashflow positive position.

	Half-year ended 31 December 2018 $
Loss after income tax expense	(1,402,782)
Add back:	
Share based payment expense	637,499
Interest costs	92,081
Depreciation	71,052
Impairment of intangibles writedown	41,369
Debtor provision	279,649
Underlying result*	(281,132)

*Underlying result is a unaudited, non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

The Group incurred additional employment expenditure as part of its strategy to establish and grow the operations of its engineering contractor subsidiary SIMPEC Pty Ltd **("SIMPEC")**. SIMPEC is now in a steady state in terms of overhead structure and is looking to drive revenue to deliver cashflow positive operations for the Group.

Whilst net liabilities of the Group increased to $1,718,149 (30 June 2018: ($456,388)), cash reserves were up at $2,464,972 (30 June 2018: $1,711,826) and receipts from customers during the half-year were up strongly at $8,400,430 resulting in a net cashflow positive result from operating activities of $332,783. This compares very favourably with the prior corresponding period of 31 December 2017 where receipts were only $2,450,842.

The improved cashflows from operations figures are also an indicator that the underlying result is stronger than the after tax loss figure suggests.

REVIEW OF OPERATIONS

Operations

The Group delivered a strong operational result during the half year with SIMPEC demonstrably gaining traction in the market.

SIMPEC operations

In the month of December 2018 alone, SIMPEC was awarded:

- a $4M contract at Rio Tinto's West Angelas Mine with ATCO Structures and Logistics;
- a $8M contract at the Tianqi Lithium Kwinana Plant;
- a $4.5M contract with Rio Tinto at the Cape Lambert Port Facility

SIMPEC has built a strong working relationship with **MSP Engineering ("MSPE")** which began with SIMPEC's successful ongoing work at the Talison Lithium Mine in Greenbushes, Western Australia.

SIMPEC's involvement in MSPE's world-class work portfolio was extended with the award of an $8M contract at the Tianqi Lithium Kwinana processing plant (ASX: 11 December 2018) under construction at Kwinana, Western Australia. SIMPEC will look to continue to build on its relationship with MSPE.

Aside from MSPE, SIMPEC was awarded a contract by international mineral sands company **Iluka Resources Limited** at their Cataby Project in Western Australia. Under the ~$1.7 million contract, SIMPEC will construct a Flocculant Plant Package consisting of four tanks and related structural, mechanical and piping works. This is SIMPEC's second award at the Cataby Project having successfully completed a key Mechanical, Electrical and Communications contract in the construction of 2 separate accommodation camp facilities for use by Iluka and Tronox Limited respectively. The Flocculant Plant Package Contract is a direct engagement with Iluka.

SIMPEC was also able to gain a foothold into the substantial work on offer from **Rio Tinto Iron Ore**. Firstly, SIMPEC was awarded a $4M contract by ATCO Structures and Logistics (ASX: 4 December 2018) in the construction and deconstruction of a 600-room camp at Rio Tinto's West Angelas iron ore mine in the Pilbara region of Western Australia. This award built on the portfolio of camp work packages successfully undertaken by SIMPEC. Following this, SIMPEC was awarded a $4.5M contract directly by Rio Tinto Iron Ore (ASX: 18 December 2018) at the Cape Lambert Port Facility.

Under the contract, SIMPEC will design and construct a Remote Draft Survey System which will aim to increase ship turnaround and safety at the Port. This award directly with Rio Tinto is a major milestone for SIMPEC and a strong endorsement of SIMPEC as a capable engineering contractor.

Precast Australia operations

During the half, the Company announced that Precast Australia was awarded scope extensions totalling $800k by the Salini Impregilo – NRW Joint Venture on the Forrestfield-Airport Link Project (ASX: 14 November 2018). 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 scope extensions, Precast Australia will supply precast concrete elements for railway stations and service buildings along the rail line. This work will include supply of precast stairs and precast walls for the railway stations and emergency egress shafts.

Given its involvement to date, Precast Australia is well placed to win further work on this substantial project as overall construction work progresses.

In addition, the Company announced that Precast Australia had won a further $1.3M of contracts largely from repeat clients such as Vaughan Constructions and ADCO Constructions.

Precast Australia's activities were lower than the prior comparative period. The division intends to concentrate on large contracts to deliver margin where possible and further rationalise its cost base.

Corporate

During the half, the Company announced that it had secured a working capital facility (the Facility) of up to $1 million (ASX: 12 December 2018).

The Facility provides the Company with flexibility for further contract wins. The Company was able to secure favourable terms via its corporate advisor Regency Corporate. Interest payable on the Facility is 10% pa on the drawn balance. The Facility is unsecured and repayable within 12 months. As at the date of this report, the Facility is drawn to $650,000 with the balance available to be drawn upon as and when required.

DIRECTORS' REPORT

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no significant events subsequent to balance date.

AUDITOR INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Criterion Audit Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Bert Mondello
Director
Perth, Western Australia
28 February 2019

Criterion Audit Pty Ltd

ABN 85 165 181 822

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SUBIACO WA 6008

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of WestStar Industrial Limited and its controlled entities for the half year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 28th day of February 2019

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2018

	Note	31 December 2018 $	31 December 2017 $
Revenue	3	10,283,478	3,055,183
Cost of goods sold		(8,338,489)	(2,689,116)
		1,944,989	366,067
Other income	3	49,803	4,071
Distribution expenses		(73,987)	(29,474)
Occupancy expenses		(290,945)	(325,889)
Depreciation		(71,052)	(67,491)
Employment expenses		(1,048,787)	(511,361)
Administration expenses		(727,604)	(483,300)
Insurance		(134,602)	(32,445)
Impairment of intangibles		(41,369)	(992,198)
Finance costs		(92,081)	(11,984)
Doubtful debts expense		(279,648)	-
Share based payments expense	12	(637,499)	-
Expenses		**(3,397,574)**	**(2,454,142)**
Loss before income tax		**(1,402,782)**	**(2,084,004)**
Income tax expense		-	-
Loss after income tax		**(1,402,782)**	**(2,084,004)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Other comprehensive loss, net of tax		-	-
Total comprehensive income / (loss)		**(1,402,782)**	**(2,084,004)**
Earnings / (loss) per share			
Basic and diluted (loss)/earnings per share (cents)		(0.30)	(0.59)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position
for the half-year ended 31 December 2018

	Note	31 December 2018 $	30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents		2,464,972	1,711,826
Trade and other receivables	4	1,762,845	1,992,484
Other assets	5	1,473,561	306,673
Total Current Assets		**5,701,378**	**4,010,983**
Non-Current Assets			
Investments		149,848	148,323
Bank guarantees		125,000	155,362
Property, plant & equipment		397,210	435,033
Loans receivable		756,750	750,000
Total Non-Current Assets		**1,428,808**	**1,488,718**
Total Assets		**7,130,186**	**5,499,701**
LIABILITIES			
Current Liabilities			
Trade and other payables	6	6,139,489	4,597,801
Provisions		201,090	156,408
Borrowings	7	1,215,442	785,461
Other liabilities	5	1,292,315	416,419
Total Current Liabilities		**8,848,336**	**5,956,089**
Total Liabilities		**8,848,336**	**5,956,089**
Net Assets / (Liabilities)		**(1,718,150)**	**(456,388)**
EQUITY			
Issued capital	8	10,799,977	10,162,478
Reserves		821,045	821,045
Accumulated losses		(13,339,172)	(11,439,911)
Total Equity / (Deficiency)		**(1,718,150)**	**(456,388)**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows
for the half-year ended 31 December 2018

	Note	31 December 2018 $	31 December 2017 $
Cash flows from operating activities			
Receipts from customers		8,404,430	2,450,842
Payments to suppliers and employees		(7,982,481)	(3,414,969)
Interest received		2,915	1,441
Interest paid		(92,081)	(9,472)
Net cash flows used in operating activities		**332,783**	**(972,158)**
Cash flows from investing activities			
Receipt (Payment) for investment in term deposit / bank guarantee		30,362	(125,000)
Purchase of subsidiary, net cash acquired	12	-	79,633
Purchase of property, plant & equipment		(33,230)	(22,765)
Net cash flows provided by/(used in) investing activities		**(2,868)**	**(68,132)**
Cash flows from financing activities			
Proceeds from issue of shares		-	-
Proceeds from borrowings		650,000	-
Loans to related parties		(6,750)	-
Repayment of borrowings		(220,019)	-
Net cash provided by/(used in) financing activities		**423,231**	**-**
Net increase / (decrease) in cash and cash equivalents		753,146	(1,040,289)
Cash and cash equivalents at beginning of period		1,711,826	1,559,215
Cash and cash equivalents at the end of the period		**2,464,972**	**518,926**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2018

	Issued capital $	Accumulated losses $	Share based payment reserve $	Total $
At 1 July 2018	**10,162,478**	**(11,439,911)**	**821,045**	**(456,388)**
Change in accounting policies	-	(496,479)	-	(496,479)
Restated balance At 1 July 2018	**10,162,478**	**(11,936,390)**	**821,045**	**(952,867)**
Profit/(loss) for the half-year	-	(1,402,782)	-	(1,402,782)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(1,402,782)**	**-**	**(1,402,782)**
Transactions with owners in their capacity as owners				
Rights conversion as issued for the acquisition of Simpec Pty Limited	637,499	-	-	637,499
Transactions with owners in their capacity as owners	**637,499**	**-**	**-**	**637,499**
Balance at 31 December 2018	**10,799,977**	**(13,339,172)**	**821,045**	**(1,718,150)**

	Issued capital $	Accumulated losses $	Share based payment reserve $	Total $
At 1 July 2017	**8,284,978**	**(8,372,186)**	**766,608**	**679,400**
Profit/(loss) for the half-year	-	(2,084,004)	-	(2,084,004)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year	**-**	**(2,084,004)**	**-**	**(2,084,004)**
Transactions with owners in their capacity as owners				
Shares and options issued for the acquisition of Simpec Pty Limited	937,500	-	54,437	991,937
Transactions with owners in their capacity as owners	**937,500**	**-**	**54,437**	**991,937**
Balance at 31 December 2017	**9,222,478**	**(10,456,190)**	**821,045**	**(412,667)**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

1. Corporate

The consolidated half-year financial report of WestStar Industrial Limited (“the Company”) and its controlled entities (“the Group” or “Consolidated Entity”) for the half-year ended 31 December 2018 was authorised for issue on 28 February 2019 in accordance with a resolution of the directors on 28 February 2019.

WestStar Industrial Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. Basis of Preparation and Accounting Policies

(a) Basis of preparation

These general purpose condensed financial statements for the half-year ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by WestStar Industrial Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on a historical cost basis, except for the revaluation of certain financial instruments to fair value.

For the purpose of preparing the half-year financial report, the half year has to be treated as a discrete reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the half-year ended 31 December 2018 of $1,402,782 (31 December 2017: net loss of $2,084,004). The Group had net cash inflows of $332,783, had Cash of $2,464,972 and a working capital deficit of $3,146,958 at 31 December 2018.

There are uncertainties associated with forecasting future revenues and expenses of the Company. The Group also has a high level of capital investment required including bank guarantees to commence operations and fund the working capital requirements of the Group in dealing with the Tier 1 contractors to deliver work currently on its order book.

While it is the Group’s intention to be cash flow positive through operations, the Group may be required to raise additional capital either through equity or debt in order to continue as a going concern. The Group is confident that it will be able to raise additional funding either through debt or equity as and when required to continue to support the business and has been successful in these efforts in the recent past. The Group has the support of its creditors and employees in relation to its obligations and has agreed payment arrangements in respect of taxation liabilities. The Group is continually monitoring its cost structure and implementing initiatives to rationalise its operations.

The Directors have indicated that they will continue to support the Company and provide necessary working capital if required to ensure the consolidated entity remains a going concern. WestStar Precast Pte Ltd, a director related entity currently provides the Company with a working capital facility (subject to shareholder approval) of up to $1 million, secured with an interest rate of BBSY+6% on drawn down balance. This facility is available, and currently undrawn. The Group also has a second working capital facility of up to $1 million currently drawn to $650,000 with the balance available to be draw upon.

If the Group does not achieve its forecast profit and is unable to raise additional funding there exists a material uncertainty which may cast significant doubt whether the Group will continue as a going concern and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The Directors are confident that the Group will receive further funding and consider the Group is a going concern, but recognise that it is dependent on the matters mentioned above and in the financial statements.

On the basis that sufficient funding is expected to be raised to meet the Company’s expenditure forecasts, the Directors consider that the Group remains a going concern and these financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. In considering the above, the directors have reviewed the Group’s financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies

Standards and Interpretations applicable to 31 December 2018

In the half-year ended 31 December 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 July 2018.

New, revised or amending Accounting Standards or Interpretations adopted

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity.

AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of interim financial statements. The nature and effect of changes arising from these standards are summarised in the section below. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting of financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and been replaced with a business model test. AASB 9 also changes the model for recognising impairment of trade receivables. Under AASB 139 impairment was calculated using an 'incurred loss' model, whereby impairment of trade receivables was determined through reference to historical events and circumstances that give rise to reduced probability of those amounts being recoverable. AASB 9 uses an 'excepted credit loss' model where historical data and other factors are considered in determining the expected future loss on trade receivables, rather than relying on an event to have occurred before recognising impairment.

AASB 9 has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated losses at 1 July 2018 and comparatives are not restated. The Group has concluded that the adoption of AASB 9 did not significantly impact the provision for trade receivables already recognised in the statement of financial position.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 from 1 July 2018. AASB 15 replaces AASB 118 Revenue and several revenue-related Interpretations. This standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Change in Accounting Policy and Impact of Adoption

AASB 15 has been applied using the modified retrospective approach. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated losses at 1 July 2018 and comparatives are not restated. Upon adoption of AASB 15, the Group recognised an accrual for discounts and rebates on the statement of financial position and reflected the corresponding adjustment in revenue, with the net effect being adjusted in accumulated losses.

The following table shows the adjustments recognised for each individual line item in the Financial Statements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies (continued)

Change in Accounting Policy and Impact of Adoption (continued)

Balance Sheet
The total impact on the Group's Balance Sheet as at 1 July 2018:

At at	30 June 2018 Reported	AASB 15 adjustment	1 July 2018 Restated
Current Assets			
Other assets	306,673	1,977,929	2,284,602
Total assets	**5,499,701**	**1,977,929**	**7,477,630**
Current Liabilities			
Trade and other payables	4,597,801	(541,194)	4,056,607
Other liabilities	416,418	3,015,601	3,432,019
Total Liabilities	**5,956,089**	**2,474,407**	**8,430,496**
Equity			
Accumulated losses	11,439,911	496,479	11,936,390
Total Equity	**(456,388)**	**(496,479)**	**952,867**

The tables below highlight the impact of AASB 15 on the Group's statement of profit or loss and other comprehensive income and the statement of financial position for the interim period ending 31 December 2018. The adoption of AASB 15 did not have any impact on the Group's statement of cash flows.

Consolidated statement of Profit or Loss and Other Comprehensive Income
The total impact on the Group's statement of Profit or Loss and Other Comprehensive Income for the reporting period:

At at	Amounts under AASB 118	AASB 15 adjustment	Amounts under AASB 15
Revenue	**8,156,539**	**2,176,742**	**10,333,281**
Expenses			
Cost of goods sold	7,091,191	1,247,298	8,338,489
Total Expenses	**10,488,765**	**1,247,298**	**11,736,063**
Profit / (Loss) before tax	**(2,332,226)**	**929,444**	**(1,402,782)**

Balance Sheet
The total impact on the Group's statement of Profit or Loss and Other Comprehensive Income for the reporting period:

At at	Amounts under AASB 118	AASB 15 adjustment	Amounts under AASB 15
Current Assets			
Other assets	2,720,859	(1,247,298)	1,473,561
Total Current Assets	**4,454,080**	**(1,247,298)**	**5,701,378**
Current Liabilities			
Other liabilities	3,469,058	(2,176,743)	1,292,315
Total Liabilities	**11,024,479**	**(2,176,143)**	**8,848,336**
Equity			
Accumulated losses	(14,268,616)	929,444	(13,339,172)
Total Equity	**(2,647,594)**	**929,444**	**(1,718,150)**

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Company accounting policies.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

2. Basis of Preparation and Accounting Policies (continued)

(c) Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of WestStar Industrial Limited.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

	31 December 2018 $	31 December 2017 $
3. Revenue and Other Income Revenue		
Revenue		
Sale of goods and services	10,283,478	3,055,183
Other income		
Interest income	45,809	2,970
Other income	3,994	1,101
	49,803	**4,071**
	10,333,281	**3,059,254**

	31 December 2018 $	30 June 2018 $
4. Trade and Other Receivables		
Current		
Trade receivables	1,583,279	1,611,820
Less Provision for doubtful debts	(279,647)	-
	1,303,632	1,611,820
Retentions	257,438	368,447
Other receivables	2,101	2,100
Prepayments	199,676	10,117
	1,762,845	**1,992,484**
Non-current		
Retentions	**-**	**-**

	31 December 2018 $	30 June 2018 $
5. Other Assets		
Contract assets	1,473,561	-
Accrued Income	-	553,500
Less Provision for accrued income	-	(246,827)
	1,473,561	**306,673**

	31 December 2018 $	30 June 2018 $
Other Liabilities		
Contract liabilities	1,292,315	-
Unearned Income	-	416,419
	1,292,315	**416,419**

	31 December 2018 $	30 June 2018 $
6. Trade and Other Payables		
Trade payables	4,899,192	3,933,387
Sundry creditors and accruals	1,240,297	664,414
	6,139,489	**4,597,801**

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

	31 December 2018 $	30 June 2018 $
7. Borrowings		
Loan from related parties (i)	565,442	565,442
Financing facility (ii)	650,000	-
Unsecured loan (iii)	-	220,019
	1,215,442	**785,461**

(i) On 24 April 2017, the Company entered into a Convertible Note agreement with WestStar Precast Pte Ltd, an entity associated with Director, Lay Ann Ong in satisfaction of an outstanding loan. The balance reflected will be extinguished on conversion of 20,000,000 Convertible Notes with each Note being convertible into one Share. The Convertible Note is due to be exercised or repaid under the agreement terms.

(ii) On 12 December 2018, the Company advised that it had received commitments for an unsecured working capital facility of up to $1 million. As at period end, the facility had been drawn down to $650,000. The facility bears interest at 10% p.a.

(iii) Unsecured loan bears interest at a rate of 10% p.a.

8. Issued Capital

(a) Issued and paid up capital

	31 December 2018 $	30 June 2018 $
Ordinary shares fully paid	**10,799,977**	**10,162,478**

(b) Movements in shares on issue

	6 months to 31 December 2018		Year to 30 June 2018	
	No.	$	No.	$
Movements in ordinary shares on issue				
Opening balance	458,254,616	10,162,478	354,087,949	8,284,978
Details of the Company shares issued during the period:				
Shares issued for acquisition of SIMPEC (Note 12)	-	-	37,500,000	937,500
Placement to sophisticated investors (i)	-	-	66,666,667	940,000
	-	-	104,166,667	1,877,500
Details of the Company shares issued during the period:				
Rights conversion for acquisition of SIMPEC (Note 12)	37,500,000	637,500	-	-
Closing balance	**495,754,616**	**10,799,977**	458,254,616	10,162,478

(i) On 12 June 2018, the Company announced that it had closed an oversubscribed placement to sophisticated and professional investors of 66,666,667 fully paid ordinary shares at a price of $0.015 per share. For every two (2) shares issued under the Placement, subscribers received one (1) free attaching listed option.

(c) Share options

There are 20,000,000 unlisted options on issue at balance date, with an exercise price of $0.10 and an expiry three years from issue date exercisable by 6 July 2019.

During the period, 191,833,333 listed options expired out of the money.

(d) Performance shares

There were 80,000,000 unlisted performance shares at balance date, with terms and conditions related to financial performance over the three years to June 2019. Subsequent to period end, the Company advised that these performance shares had lapsed.

(e) SIMPEC Performance Securities

Under the terms of acquisition of SIMPEC, 25 million performance securities, the issue of which will be subject to shareholder approval and that will vest upon the achievement of EBITDA based KPIs. Refer to Note 12.

Notes to the Condensed Consolidated Financial Statements

for the half-year ended 31 December 2018

9. Contingent Liabilities & Commitments.

Operating lease commitments
Non-cancellable operating lease contracted for but not capitalised in the financial statements and are payable:

	31 December 2018 $	30 June 2018 $
Within One Year	408,749	445,908
After one year but not more than five years	-	185,795
	408,749	**631,703**

10. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is three relevant businesses segment being:

Precast Australia, which provides prefabricated concrete construction services to the construction and resources sectors in Australia.

SIMPEC, which is a construction contractor with specialist experience in both Structural Mechanical and Piping, Electrical and Instrumentation works.

Distinct Development, which addresses small to mid-size mixed-use property projects, a niche in the local market.

Segment reporting	**Precast $**	**SIMPEC $**	**Distinct $**	**Group $**
Half-year ended 31 December 2018				
Segment revenue	2,753,162	7,530,315	41,369	10,324,846
Segment expense	(1,395,671)	(6,782,895)	(43,067)	(8,221,633)
Segment operating loss	**1,357,491**	**747,420**	**(1,698)**	**2,103,213**
Other Income				8,436
Corporate & administration				(3,514,431)
Net operating Profit (Loss) after Tax				**(1,402,782)**
Half-year 31 December 2017				
Segment revenue	3,057,814	-	-	3,057,814
Segment expense	(3,827,265)	-	-	(3,827,265)
Segment operating loss	**(769,451)**	**-**	**-**	**(769,451)**
Other Income				1,440
Corporate & administration				(1,315,993)
Net operating Profit (Loss) after Tax				**(2,084,004)**
Half-year ended 31 December 2018				
Segment assets	1,324,018	3,098,743	752,203	5,174,964
Segment liabilities	(1,981,709)	(2,679,425)	(23,124)	(4,684,258)
Segment asset & liabilities	**(657,691)**	**419,318**	**729,079**	**490,706**
Cash and corporate assets				684,640
Corporate liabilities				(2,893,496)
Total asset & liabilities				**(1,718,150)**
Year ended 30 June 2018				
Segment assets	2,513,064	1,762,966	752,203	5,028,233
Segment liabilities	(2,390,871)	(2,321,685)	(23,124)	(4,735,680)
Segment asset & liabilities	**122,193**	**(558,719)**	**729,079**	**292,553**
Cash and corporate assets				55,050
Corporate liabilities				(803,991)
Total asset & liabilities				**(456,388)**

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

Notes to the Condensed Consolidated Financial Statements
for the half-year ended 31 December 2018

11. Financial Instruments

At 31 December 2018, the carrying value of all financial assets and liabilities is considered to approximate their fair values. The held for trading assets are recognised at fair value and have been classified as level 1 financial assets based on quoted prices in active markets. There were no transfers between levels during the half-year.

12. Acquisition of SIMPEC Pty Ltd

On 29 December 2017, WestStar Industrial Limited acquired 100% of the ordinary share capital and voting rights in SIMPEC Pty Ltd.

(a) Acquisition Consideration

The consideration for the acquisition comprised the issue to SIMPEC's shareholders of:

- 37.5 million fully paid ordinary shares on completion
- 37.5 million service based performance securities
- up to 25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.

(b) Fair value of consideration transferred

Under the principles of AASB 3, the assets and liabilities of SIMPEC Pty Ltd are measured at fair value on the date of acquisition.

(c) Goodwill

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of SIMPEC Pty Ltd. Details of the transaction are as follows:

	Fair Value $
Consideration	
37.5 million fully paid ordinary shares on completion	937,500
37.5 million service based performance rights (i)	-
25 million shares to be issued on the achievement of $500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date.	-
Total consideration	937,500
Fair value of assets and liabilities held at acquisition date:	
Cash	79,633
Trade and other receivables	960,703
Plant and equipment	5,925
Trade and other payables	(179,431)
Provisions	(71,073)
Unearned Income	(850,455)
Fair value of identifiable assets and liabilities assumed	(54,698)
Goodwill	992,198
Less impairment of goodwill	(992,198)
	-

(i) On 2 August 2018, the Company announced that the 37,500,000 service based performance rights issued as part of the SIMPEC consideration had vested and as a result were converted to 37,500,000 fully paid ordinary shares. The vesting of these securities is recognised as a share based payment expense of $637,499 being the value of the granted shares at the date of the grant.

13. Events after Reporting Date

There are no significant events subsequent to balance date.

Director's Declaration

for the half-year ended 31 December 2018

In the opinion of the directors of WestStar Industrial Limited ('the company'):

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year then ended.

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable subject to the matters set out in Note 2(b).

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Bert Mondello
Director
Perth, Western Australia
28 February 2019

Criterion Audit Pty Ltd

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Independent Auditor's Review Report

To the Members of WestStar Industrial Limited

We have reviewed the accompanying half-year financial report of WestStar Industrial Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Weststar Industrial Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WestStar Industrial Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 2(b) to the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,402,782 and as of that date, the Consolidated Entity had a working capital deficiency of $3,146,958. These conditions, along with other matters as set forth in Note 2(b) indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Criterion Audit

CRITERION AUDIT PTY LTD

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CHRIS WATTS CA
Director

DATED at PERTH this 28th day of February 2019