

## September 2016 Appendix 4C and Market Update

### ASX Release

31 October 2016

**WESTSTAR  
INDUSTRIAL LIMITED**  
ACN 119 047 693

Unit B9  
431 Roberts Rd  
Subiaco WA 6008

Tel: +61 8 6143 4100  
Fax: +61 8 9381 2330

**Contact:**

Mr Peter Torre  
Company Secretary

Mr Frank Licciardello

**E-mail:**

[info@wsq.com](mailto:info@wsq.com)

**Directors:**

Lay Ann Ong  
David Wheeler  
Frank Licciardello

**Issued Capital:**

199,087,949 shares

**ASX Symbol:**

WSI

WestStar Industrial Limited (**Company**) advises that it has released its Appendix 4C – Quarterly Cashflow Report for the first quarter ended 30 September 2016 as attached.

Significant movements in cash flow for the quarter were in respect to the receipt of \$3.256m in funds under the public offer. Costs associated with the offer were in line with the Prospectus of approximately \$360k. The repayment of related party loans as set out in the Prospectus of \$806k was also completed.

Receipts from customers was below expectations due to delays in receipts from large Tier 1 customers. The Company is working through these delays with its customers with increased receipts occurring in the current quarter.

Product manufacturing and operating costs include payments for outstanding creditors as at the date of acquisition of Precast Australia Pty Ltd ("**Precast**"), which occurred early in the quarter.

The company is pleased to report that the order book for Precast is increasing with work to be delivered to Brookfield Multiplex, Adrian Zorzi Homes and Perkins Builders. Much of this work is expected to be delivered over the next 6 months. Work at the Burswood Stadium rail project has also been delivered in the last 3 months and cashflow from operations is expected to be bolstered in the current quarter as all the work delivered in the last quarter is paid by the contractors.

Precast has also been very active in submitting a large volume of tenders to secure work in the second half of the financial year.

Precast has been awarded its first jobs as part of its documented supply and install strategy. During the September quarter, Precast supplied and installed two new jobs under the new business model. The directors believe this strategy will be further rewarded as new jobs get awarded in the coming months.

The company has installed a new casting bed and has purchased the electromagnetic formwork. Efficiencies are being gained and the quality of work being produced has been well accepted by the customers. Training has been held in-house and continues to attract new efficiencies and cost savings that is expected to assist in the company increasing its profit margin.

Mr Ian Meares, a previous director of Precast resigned and the current directors of WestStar are all now directors of the company's 100% owned operating subsidiary. The Board wishes Mr Meares all the best in his future endeavours.

**For further information in respect to this release, please contact:**

**Peter Torre**  
**Company Secretary**

## 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 September 2016

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		1,000	1,000
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(1,737)	(1,737)
(c) advertising and marketing		-	-
(d) leased assets		(331)	(331)
(e) staff costs		(170)	(170)
(f) administration and corporate costs		(282)	(282)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		3	3
1.5 Interest and other costs of finance paid		(14)	(14)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)			
- Transaction costs related to Prospectus		(26)	(26)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(1,557)</b>	<b>(1,557)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(145)	(145)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	373
	Proceeds from acquisition of Precast Australia Pty Ltd (see item 10)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>228</b>	<b>228</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	3,256	3,256
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)	(358)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(748)	(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>2,150</b>	<b>2,150</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	182	182
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,557)	(1,557)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	228	228

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,150	2,150
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,003</b>	<b>1,003</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	861	182
5.2	Call deposits	142	-
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>1,003</b>	<b>182</b>

**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**

117

-

Director fees - \$33k  
Corporate advice - \$24k  
Management fees - \$60k  
Additional payments made to directors are as follows:  
3.4 - \$337k paid to director associate for costs directly associated with the capital raise as set out in the Prospectus; and  
3.6 - \$746k repayment of director loan as set out in the Prospectus.

**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**

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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.

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**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1	Research and development	-
9.2	Product manufacturing and operating costs	1,400
9.3	Advertising and marketing	30
9.4	Leased assets	150
9.5	Staff costs	170
9.6	Administration and corporate costs	200
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>1,950</b>

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


**Acquisitions**

**Disposals**

10.1	Name of entity	Precast Australia Pty Ltd	-
10.2	Place of incorporation or registration	Western Australia	-
10.3	Consideration for acquisition or disposal	80 million Shares at a deemed issue price of \$0.05 per share, 20 million Options and up to 80 million Performance Shares on the terms set out in the Replacement Prospectus dated 14 June 2016.	-
10.4	Total net assets	(1,193)	-
10.5	Nature of business	Precast Concrete Manufacturing	-

### 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: ..31 October 2016

Print name: Peter Torre

### 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.