



VOLTAGE IP LIMITED

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22 February 2017

Company Announcements Platform (ASX: VIP)

ACQUISITION OF LAND TO EXPAND GLOVE LINE OPERATIONS

Voltage IP Ltd (“VIP” or “the Company”) is pleased to announce that KLE Products Sdn Bhd (a 100% wholly owned subsidiary of VIP) has entered into a sale and purchase agreement with Wonder International Sdn Bhd to acquire land adjoining the Company’s existing conveyor chain and glove line operations in Selangor, Malaysia.

The land is vacant with a leasehold expiring 9 October 2099 measuring approximately 13,203m² in area of. The land is free from all encumbrances and has been purchased for RM \$7,674,260 (approximately AUD \$2,242,700). A deposit of AUD \$375,000 has been paid from existing cash resources with the balance to be paid on satisfaction of certain conditions precedent by the vendor on or before 16 August 2017. KLE Products has received confirmation of bank financing to fund the balance on settlement.

The land acquisition will allow VIP to expand the existing glove line operations by extending the factory and commissioning new glove manufacturing lines that are additional to the existing two lines currently in operation. Management is presently designing a state of the art manufacturing facility with the capacity to build and commission a further 12 new glove manufacturing lines from the land that has been acquired. If this objective is achieved, VIP will produce in excess of 3.4 billion pieces per annum once all lines are fully commissioned and operational.

VIP aims to be a leading manufacturer of gloves used for the medical and surgical glove industry.

The Company’s order book for gloves, since commissioning glove manufacturing lines in October 2016, has been strong and remain ahead of planned volumes following initial teething issues experienced with the commissioning of the first two lines.



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Management expect glove demand to increase and economies of scale that are planned to be achieved from the expansion will allow the Company to trade with additional customers on different glove specifications at the same time, with increasing gross profit margins.

The increase in manufacturing operations will allow the Company to increase output and target significant sales contracts for both Europe and Northern American customers.

Further details of the expansion plans and funding for these new glove lines will provided once confirmed.

For further details, please contact:

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