



VOLTAGE IP

**Voltage IP Limited**

**ABN 83 057 884 876**

**Appendix 4D and Half-Year Report - 31 December 2017**

## 1. Company details

Name of entity:	Voltage IP Limited
ABN:	83 057 884 876
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

## 2. Results for announcement to the market

	HY 31 Dec 2017 \$	HY 31 Dec 2016 \$	Up/Down	Change \$	Change %
Revenues from ordinary activities	\$6,112,335	4,549,859	Up	1,562,476	34%
Loss from ordinary activities after tax attributable to the owners of Voltage IP Limited	(\$494,945)	(1,710,055)	Up	1,215,110	71%
Loss for the half-year attributable to the owners of Voltage IP Limited	(\$494,945)	(1,710,055)	Up	1,215,110	71%

### Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the half-year ended 31 December 2017 (no dividend paid)	-	-

## Review of Operations

Throughout the half year and under the guidance of the newly appointed Board and management, the Company has substantially improved the group's results. The Company's glove making division recorded a maiden profit after tax of some \$181,783. This result, in conjunction with improved production performance and the implementation of other cost saving and rationalisation programmes throughout the group, has resulted in a 34% increase in revenue and a significant 71% reduction in the after-tax loss of the group. The full impact of these performance initiatives and rationalisations will become fully apparent in the second half of the 2018 financial year.

Importantly, the Company is expanding its current operation of 2 double former production lines. In that regard, construction has commenced on an additional 6 single production lines, which are expected to be completed in the September quarter. The introduction of these additional production lines will significantly lower the Company's unit cost of production and deliver substantially increased revenues. By adopting a strategy of aggressive expansion, the Company will increase its competitiveness and deliver substantially increased product volumes to a market that is constantly expanding.

Following the commissioning of the new 6 single production lines, the Company intends to construct a further 24 production lines on an adjoining 3.26 acres of land, of which funding was completed in August 2017.

As all production activities are conducted in Malaysia, the price of acquiring raw materials in the first half of the 2018 financial year increased due to a depreciation in the Malaysian Ringgit. Subsequent to the half year ended, the Ringgit has appreciated, which will result in lower costs of production assuming the exchange rate remains favourable. The Company has also acquired and maintains a sufficient level of raw material to stabilise further foreign exchange impacts.

Whilst the new Board is disappointed with the first half results, they are very confident that the initiatives delivered late in the financial period will result in further revenue increases and reduced operating and corporate overhead expenditure. Which in turn, is expected to result in profitable operations for the group in the second half of the financial year.

With respect to the KLE Products rubber glove machinery supply operation, the newly appointed management team has scaled down costs of direct and indirect labour to ensure that KLE remains both viable and ultimately profitable. KLE's existing sales orders are expected to enable KLE to deliver its internal budgeted sales and profit targets for the balance of the financial year.

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial period, other than those reported in the Review of Operations above.

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## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.57	1.61

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## 4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

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

7. Audit qualification or review

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

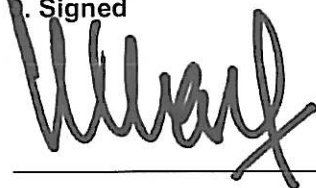
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. A material uncertainty paragraph has been included in the review report.

8. Attachments

*Details of attachments (if any):*

The Auditors Interim Report of Voltage IP Limited for the half-year ended 31 December 2017 is attached.

Signed



Date:

Kah Ling Chang  
Executive Chairperson  
Kuala Lumpur

**Voltage IP Limited**

**ABN 83 057 884 876**

**Half-Year Report - 31 December 2017**

**Voltage IP Limited**  
**Directors' report**  
**31 December 2017**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Voltage IP Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

**Directors**

The following persons were directors of Voltage IP Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kah Ling Chang (Executive Chairperson) - appointed 22 September 2017  
Chin KarYang (Executive Director) - appointed 27 November 2017  
Mike Higginson (Independent Non-Executive Director) appointed 27 October 2017  
Wayne Johnson (Independent Non-Executive Director) appointed 27 October 2017  
Dr Joe Wong (Independent Non-Executive Director) appointed 27 November 2017

Francesco (Frank) Licciardello (Non-Executive Chairman) - resigned 22 October 2017  
Wee Min Chen (Managing Director) - retired 9 November 2017  
Ei Ling Chong (Executive Director) - resigned 28 August 2017  
Lee Mitchell (Non-Executive Director) – resigned October 2017

**Principal activities**

The principal activity of the Consolidated Entity during the financial half-year period was operating a rubber glove manufacturing operation in Malaysia and a rubber glove machinery supply operation in Malaysia.

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$494,945 (31 December 2016: loss of \$1,710,055).

Throughout the half year and under the guidance of the newly appointed Board and management, the Company has substantially improved the group's results. The Company's glove making division recorded a maiden profit after tax of some \$181,783. This result, in conjunction with improved production performance and the implementation of other cost saving and rationalisation programmes throughout the group, has resulted in a 34% increase in revenue and a significant 71% reduction in the after- tax loss of the group. The full impact of these performance initiatives and rationalisations will become fully apparent in the second half of the 2018 financial year.

Importantly, the Company is expanding its current operation of 2 double former production lines. In that regard, construction has commenced on an additional 6 single production lines, which are expected to be completed in the September quarter. The introduction of these additional production lines will significantly lower the Company's unit cost of production and deliver substantially increased revenues. By adopting a strategy of aggressive expansion, the Company will increase its competitiveness and deliver substantially increased product volumes to a market that is constantly expanding.

Following the commissioning of the new 6 single production lines, the Company intends to construct a further 24 production lines on an adjoining 3.26 acres of land, of which funding was completed in August 2017.

As all production activities are conducted in Malaysia, the price of acquiring raw materials in the first half of the 2018 financial year increased due to a depreciation in the Malaysian Ringgit. Subsequent to the half year ended, the Ringgit has appreciated, which will result in lower costs of production assuming the exchange rate remains favourable. The Company has also acquired and maintains a sufficient level of raw material to stabilise further foreign exchange impacts.

Whilst the new Board is disappointed with the first half results, they are very confident that the initiatives delivered late in the financial period will result in further revenue increases and reduced operating and corporate overhead expenditure. Which in turn, is expected to result in profitable operations for the group in the second half of the financial year.

With respect to the KLE Products rubber glove machinery supply operation, the newly appointed management team has scaled down costs of direct and indirect labour to ensure that KLE remains both viable and ultimately profitable. KLE's existing sales orders are expected to enable KLE to deliver its internal budgeted sales and profit targets for the balance of the financial year.

On 8 September 2017, Voltage IP Limited raised \$1,206,667 by way of an issue of Convertible Notes at \$0.05 and with a coupon rate of 12% per annum, with a three-month term from issue date.

On 22 December 2017, Voltage IP Limited raised \$460,000 by way of an issue of 9.2million ordinary shares at \$0.05 per share to fund expansion of operations in Malaysia

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.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Company during the financial period, other than those reported in the Review of Operations above.

**Events after Balance Date**

On 26 February 2018, the company completed a further raising of \$500,000 by way of an issue of 10 million shares at 0.05 cents per share, to fund expansion of operations in Malaysia.

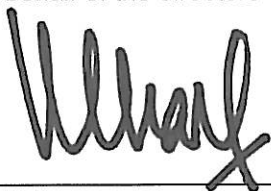
On 6 March 2018, the Company received \$315,000 for the pending issue of 6.3 million shares at 0.05 cents per share, subject to receipt of final subscription documentation, to fund expansion of operations in Malaysia.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Kah Ling Chang', written over a horizontal line.

Kah Ling Chang  
Executive Chairperson

Date: 16 March 2018  
Kuala Lumpur



**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Voltage IP Limited and its controlled entities for the half year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink, appearing to be 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to be 'J S Croall'.

**J S CROALL**  
Partner

Dated: 16 March 2018  
Melbourne, Victoria

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Consolidated Statement of profit or loss and other comprehensive income  
Consolidated Statement of financial position  
Consolidated Statement of changes in equity  
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Independent auditor's review report to the members of Voltage IP Limited

**General information**

The financial statements cover Voltage IP Limited as a consolidated entity consisting of Voltage IP Limited and the entities it controlled at the end of, or during, the half-year. These entities include KLE Products Sdn Bhd, which was acquired by Voltage IP Limited on 28 January 2016; and VIP Glove Sdn Bhd which was incorporated in March 2016.

The financial statements are presented in Australian dollars, which is Voltage IP Limited's functional and presentation currency.

Voltage IP Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia	Principal place of business No. 17 Jalan Perusahaan 1, Kawasan Perusahaan Berangang 43700 Berangang Selangor Darul Ehsan Malaysia
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A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 March 2018.

**Voltage IP Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

		<b>Consolidated</b>	
		<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue	3	6,112,335	4,549,859
Cost of goods sold	4	(4,499,037)	(4,106,428)
		<u>1,613,298</u>	<u>443,431</u>
Other income	3	234,890	19,902
<b>Expenses</b>			
Administration fees	4	(1,609,963)	(1,522,941)
Legal and professional fees		(129,264)	(137,896)
Other expenses	4	(301,874)	(227,654)
Finance costs	4	(302,032)	(284,897)
		<u>(2,343,133)</u>	<u>(2,173,388)</u>
<b>Profit/(Loss) before income tax expense</b>		<b>(494,945)</b>	<b>(1,710,055)</b>
Income tax expense		-	-
<b>Profit/(Loss) after income tax expense for the half-year attributable to the owners of Voltage IP Limited</b>		<b>(494,945)</b>	<b>(1,710,055)</b>
<i>Other Comprehensive Income for the year, net of tax</i>			
Foreign currency translation		<u>38,580</u>	<u>(267,992)</u>
<b>Total comprehensive income for the half-year attributable to the owners of Voltage IP Limited</b>		<b><u>(456,365)</u></b>	<b><u>(1,978,048)</u></b>
		<b>Cents</b>	<b>Cents</b>
Basic (Loss)/earnings per share		(0.14)	(0.53)
Diluted (Loss)/earnings per share		(0.14)	(0.53)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Voltage IP Limited**  
**Consolidated Statement of financial position**  
**As at 31 December 2017**

		<b>Consolidated</b>	
		<b>31 Dec 2017</b>	<b>30 Jun 2017</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	349,213	456,957
Trade and other receivables		2,846,254	3,027,714
Inventories		4,041,427	3,860,627
Financial assets		272,065	260,837
Other assets		-	73,584
Total current assets		<u>7,508,959</u>	<u>7,679,719</u>
<b>Non-current assets</b>			
Property, plant and equipment		<u>10,519,584</u>	<u>10,273,052</u>
Total non-current assets		<u>10,519,584</u>	<u>10,273,052</u>
<b>Total assets</b>		<u>18,028,543</u>	<u>17,952,771</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		4,778,024	6,158,967
Financial liabilities	6	4,374,491	4,539,875
Income tax		210,993	356,963
Total current liabilities		<u>9,363,508</u>	<u>11,055,805</u>
<b>Non-current liabilities</b>			
Financial liabilities	6	<u>2,947,688</u>	<u>1,183,254</u>
Total non-current liabilities		<u>2,947,688</u>	<u>1,183,254</u>
<b>Total liabilities</b>		<u>12,311,196</u>	<u>12,239,059</u>
<b>Net assets</b>		<u>5,717,347</u>	<u>5,713,712</u>
<b>Equity</b>			
Issued capital		7,682,087	7,222,087
Reserves		(338,984)	(377,564)
Retained profits/ (Accumulated losses)		<u>(1,625,756)</u>	<u>(1,130,811)</u>
<b>Total equity</b>		<u>5,717,347</u>	<u>5,713,712</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Voltage IP Limited**  
**Consolidated Statement of changes in equity**  
**For the half-year ended 31 December 2017**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total Equity \$</b>
Balance at 1 July 2016	4,273,937	(64,892)	2,379,598	6,588,643
Profit after income tax expense for the half-year	-	-	(1,710,055)	(1,710,055)
Other comprehensive income for the half-year, net of tax		(267,992)	-	(267,992)
Total comprehensive income for the half-year	-	(267,992)	(1,710,055)	(1,978,048)
<i>Transactions with owners in their capacity as owners:</i>				
Value of conversion rights on convertible notes	-	(68,565)	-	(68,565)
Balance at 31 December 2016	<u>4,273,937</u>	<u>(401,449)</u>	<u>669,543</u>	<u>4,542,030</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2017	7,222,087	(377,564)	(1,130,811)	5,713,712
Profit/(loss) after income tax expense for the half-year	-	-	(494,945)	(494,945)
Other comprehensive income for the half-year, net of tax	-	38,580	-	38,580
Total comprehensive income for the half-year	-	38,580	(494,945)	(456,365)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares	460,000	-	-	460,000
Balance at 31 December 2017	<u>7,682,087</u>	<u>(338,984)</u>	<u>(1,625,756)</u>	<u>5,717,347</u>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Voltage IP Limited**  
**Consolidated Statement of cash flows**  
**For the half-year ended 31 December 2017**

	Note	Consolidated 31 Dec 2017 \$	31 Dec 2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		6,537,949	3,508,027
Payments to suppliers and employees (inclusive of GST)		(8,174,678)	(5,270,665)
		<u>(1,636,729)</u>	<u>(1,762,638)</u>
Interest received		50	8,071
Interest and other finance costs paid		(239,032)	(284,897)
Income taxes paid		<u>(145,970)</u>	<u>-</u>
Net cash from operating activities		<u>(2,021,681)</u>	<u>(2,039,464)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(11,228)	-
Payments for property, plant and equipment		<u>(115,839)</u>	<u>(428,170)</u>
Net cash used in investing activities		<u>(127,067)</u>	<u>(428,170)</u>
<b>Cash flows from financing activities</b>			
Proceeds from convertible note issue		1,206,667	2,211,350
Proceeds from issue of capital		460,000	-
Proceeds from term loans		1,844,430	-
Repayment of convertible notes		(190,000)	-
Repayment of hire purchase loans		(8,987)	-
Repayment of banker's acceptance		(88,407)	-
(Repayment)/proceeds of trust receipts		(1,555,518)	475,180
Repayment of borrowings		<u>-</u>	<u>(217,451)</u>
Net cash provided by financing activities		<u>1,668,185</u>	<u>2,469,079</u>
Net increase/(decrease) in cash and cash equivalents		<u>(480,563)</u>	<u>1,445</u>
Cash and cash equivalents at the beginning of the financial half-year		(604,589)	(528,302)
Effects of exchange rate changes on cash and cash equivalents		<u>163,224</u>	<u>166,540</u>
Cash and cash equivalents at the end of the financial half-year	5	<u><u>(921,928)</u></u>	<u><u>(360,317)</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

These general purpose financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after tax of \$494,945 and had net cash outflows from operating activities of \$2,021,681 for the year ended 31 December 2017. As at that date the consolidated entity had net current liabilities of \$1,854,549. These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore 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.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- On 26 February 2018 the company completed a capital raising of \$500,000 by way of issue of 10 million shares at \$0.05 per share, to fund operations in Malaysia;
- On 6 March 2018, the company received \$315,000 for the pending issue of 6.3 million shares at 0.05 cents per share, subject to receipt of final subscription documentation, to fund expansion of operations in Malaysia;
- The Company received a commitment from Endless Earnings Sdn Bhd to provide \$2.7 million in funding by July 2018 to assist the company with its expansion plans; and
- The Company's turnaround strategy involves a significant investment in additional production lines to expand glove production, increase sales and ultimately improve operational efficiencies.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

## Note 2. Operating segments

### *Identification of reportable operating segments*

The consolidated entity is organised into two operating segments by geographic location: glove component manufacturing and rubber glove manufacturing in Malaysia, and administration in Australia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

### *Types of products and services*

Component manufacturing:	The manufacture of glove manufacturing components in Malaysia for sale in locally and internationally markets and for export.
Rubber glove manufacturing	The production of rubber gloves for the medical industry in Malaysia and internationally for export mainly in Europe.
Administration	The management of the consolidated entity's operations in Australia and Malaysia.

### *Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### *Intersegment receivables, payables and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.



**Note 2. Operating segments (continued)**

*Operating segment information*

	Malaysia \$	Australia \$	Intersegment eliminations/ unallocated \$	Total \$
<b>Consolidated</b>				
<b>Revenue – 31 December 2017</b>				
Sales to external customers	6,112,335	-	-	6,112,335
Intersegment sales	18,879	-	(18,879)	-
Total sales revenue	6,131,214	-	(18,879)	6,112,335
Other revenue	234,840	-	-	234,840
Total segment revenue	6,366,054	-	(18,879)	6,347,175
Intersegment eliminations				-
<i>Unallocated revenue</i>				50
Interest revenue				50
<b>Total revenue</b>				<u>6,347,225</u>
<b>EBITDA – 31 December 2017</b>	560,209	(448,627)	-	111,582
Depreciation and amortisation				(304,545)
Interest revenue				50
Finance costs				(302,032)
<b>Profit/ loss) before income tax expense</b>				<u>(494,945)</u>
Income tax expense				-
<b>Profit/(loss) after income tax expense</b>				<u>(494,945)</u>
<b>Assets – 31 December 2017</b>				
Segment assets	17,799,357	7,092,206	(6,863,021)	18,028,542
<b>Liabilities – 31 December 2017</b>				
Segment liabilities	16,788,961	1,796,427	(6,274,193)	12,311,196

**Voltage IP Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 2. Operating segments (continued)**

	Malaysia \$	Australia	Intersegment eliminations/ unallocated \$	Total \$
<b>Revenue – 31 December 2016</b>				
Sales to external customers	4,549,859		-	4,549,859
Intersegment sales	-		-	-
Total sales revenue	4,549,859			4,549,859
Other revenue	11,831		-	11,831
Total segment revenue	4,561,690		-	4,561,690
Intersegment eliminations				
<i>Unallocated revenue</i>				
Interest revenue	-			8,071
<b>Total revenue</b>				<u>4,569,761</u>
<b>EBITDA – 31 December 2016</b>	(864,632)	(295,511)	-	(1,160,143)
Depreciation and amortisation				(273,087)
Interest revenue				8,071
Finance costs				(284,897)
<b>Profit before income tax expense</b>				(1,710,055)
Income tax expense				-
<b>Profit after income tax expense</b>				<u>(1,710,055)</u>
	Malaysia \$	Australia \$	Intersegment eliminations/ unallocated \$	Total \$
<b>Assets – 30 June 2017</b>				
Segment assets	17,921,202	6,309,075	(6,277,506)	17,952,771
<b>Liabilities – 30 June 2017</b>				
Segment liabilities	17,177,432	630,303	(5,568,676)	12,239,059

**Voltage IP Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Sale of goods	6,112,335	4,549,859
<i>Other revenue</i>		
Interest	50	8,071
Foreign exchange gain	234,840	11,831
	<u>234,890</u>	<u>19,902</u>
<b>Total Revenue</b>	<b><u>6,347,225</u></b>	<b><u>4,569,761</u></b>

**Note 4. Expenses**

	<b>Consolidated</b>	
	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax includes the following specific expenses:		
Cost of sales	<u>4,499,037</u>	<u>4,106,428</u>
<i>Administration fees:</i>		
Administration expenses	991,492	726,787
Regulatory expenses	36,938	39,424
Depreciation expenses	256,358	273,087
Employment expenses	325,175	483,643
Total administration fees	<u>1,609,963</u>	<u>1,522,941</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u>302,032</u>	<u>284,897</u>
<i>Other expenses</i>		
Provision for doubtful debts	250,000	-
Other	51,874	227,654
Total other expenses	<u>301,874</u>	<u>227,654</u>

**Note 5. Current assets – cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 Dec 2017</b>	<b>30 June 2017</b>
	<b>\$</b>	<b>\$</b>
Cash on hand and at bank	349,212	456,957
Bank overdraft (note 6)	(1,271,140)	(1,061,546)
Balance as per statement of cashflows	<u>(921,928)</u>	<u>(604,589)</u>

**Voltage IP Limited**  
**Notes to the financial statements**  
**31 December 2017**

**Note 6. Financial liabilities**

	31 Dec 2017 \$	30 June 2017 \$
<i>Current liabilities</i>		
Bank overdraft	1,271,140	1,061,546
Hire purchase loans	161,482	132,795
Other loans	1,335,202	2,734,093
Convertible Notes (1) (2)	1,606,667	611,441
	<u>4,374,491</u>	<u>4,539,875</u>
<i>Non-Current liabilities</i>		
Hire purchase loans	9,560	47,234
Term loan borrowings (3)	2,938,128	1,136,020
	<u>2,947,688</u>	<u>1,183,254</u>

1. On 2 May 2017, the Company raised \$600,000 for the issue of 4,000,000 Convertible Notes at \$0.15 with a coupon rate of 12% and expiry 6 months from date of issue. \$160,000 of Convertible Notes were repaid and the balance of \$440,000 of Convertible Notes remain unpaid as at the end of the period. An extension was granted by the Company until 15 April 2018.
2. On 8 September 2017 the Company raised \$1,206,667 for the issue of 24,133,340 Convertible Notes at \$0.05 with a coupon rate of 12% and expiry 3 months from date of issue. \$10,000 of Convertible Notes were cancelled and \$30,000 of Convertible Notes were repaid, and the balance of \$1,166,667 of Convertible Notes remain unpaid as at the end of the period. An extension was granted by the Company until 8 June 2018.
3. During the period, the Company secured a \$2.06 million loan from Al-Rajhi Bank, with repayment term of 15 years commencing September 2017 at an interest rate of 5.8%. This loan was to fund the acquisition of land in the prior financial year, for the purpose of expanding the rubber glove production lines.

**Note 7. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 8. Contingent liabilities**

There were no contingent liabilities as at 31 December 2017 or 30 June 2017.

**Note 9. Commitments**

There were no commitments as at 31 December 2017 or 30 June 2017.

**Note 10. Events after the reporting period**

On 26 February 2018, the company completed a capital raising of \$500,000 by way of issue of 10 million shares at \$0.05 per share to fund expansion of operations in Malaysia.

On 6 March 2018, the Company received \$315,000 for the pending issue of 6.3 million shares at 0.05 cents per share, subject to receipt of final subscription documentation, to fund expansion of operations in Malaysia.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Voltage IP Limited**  
**Directors' declaration**  
**31 December 2017**

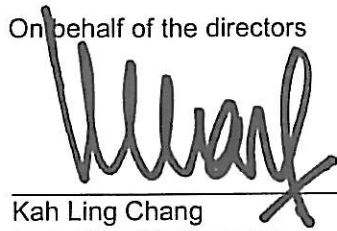
**Directors Declaration**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in dark ink, appearing to read 'Kah Ling Chang', is written over a horizontal line.

Kah Ling Chang  
Executive Chairperson

Date: 16 March 2018  
Kuala Lumpur

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**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**VOLTAGE IP LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Voltage IP Limited which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time 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 internal 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 half-year 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 2017 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 Voltage IP 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*. We confirm that the independence declaration required by the *Corporations act 2001*, which has been given to the directors of Voltage IP Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *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 Voltage IP Limited 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 2017 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 Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$494,945 and had net cash outflows from operating activities of \$2,021,681 for the half year ended 31 December 2017, and as of that date, the consolidated entity's current liabilities exceeded its current assets by \$1,854,549. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

### **RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read 'J S Croall'.

**J S CROALL**

Partner

Dated: 16 March 2018  
Melbourne, Victoria