

**VIP GLOVES LIMITED**  
**ACN 057 884 876**

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**PROSPECTUS**

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For the offer of up to 10,000 Shares in the capital of the Company at an issue price of \$0.0289 per Share to raise up to \$289 (before expenses).

**This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.**

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

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## TABLE OF CONTENTS

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1.	CORPORATE DIRECTORY .....	1
2.	TIMETABLE AND IMPORTANT NOTES .....	2
3.	DETAILS OF THE OFFER.....	4
4.	PURPOSE AND EFFECT OF THE OFFER.....	7
5.	RIGHTS AND LIABILITIES ATTACHING TO SHARES .....	8
6.	RISK FACTORS .....	11
7.	ADDITIONAL INFORMATION .....	17
8.	DIRECTORS' AUTHORISATION .....	24
9.	DEFINITIONS .....	25

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## 1. CORPORATE DIRECTORY

### Directors

Kai Fatt (Joe) Wong  
*Non-Executive Chairman*  
Michael Higginson  
*Non-Executive Director*  
Peter Wee Ming Ng  
*Non-Executive Director*  
Chin Kar Yang  
*Executive Director*  
Chee Cheong (David) Low  
*Non-Executive Director*  
Wee Min Chen  
*Executive Director*  
How Weng Chang  
*Non-Executive Director*

### Company Secretary

Andrew William Metcalfe

### Share Registry\*

Boardroom Pty Limited  
Level 7  
207 Kent Street  
SYDNEY NSW 2000

Telephone (Australia):  
1300 737 760  
Telephone (Overseas):  
+61 (0)2 9290 9600

### Registered Office

VIP Gloves Limited  
Level 2, 470 Collins Street  
MELBOURNE VIC 3000

Telephone: +(61) 3 9867 7199

Email: [inquiry@vipglove.com.my](mailto:inquiry@vipglove.com.my)  
Website: <http://www.vipglove.com.my>

### ASX Code

VIP

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Auditors\*

RSM Australia Partners  
Level 21, 55 Collins Street  
MELBOURNE VIC 3000

\* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

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## **2. TIMETABLE AND IMPORTANT NOTES**

### **2.1 Timetable**

<b>Action</b>	<b>Date</b>
Lodgement of Prospectus with the ASIC and ASX	11 December 2019
Opening Date	11 December 2019
Closing Date*	5:00 pm WST on 12 December 2019

\*The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

### **2.2 Important Notes**

This Prospectus is dated 11 December 2019 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those investors who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### **2.3 Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.vipglove.com.my>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **2.4 Website**

No document or information included on our website is incorporated by reference into this Prospectus.

## **2.5 Risk Factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## **2.6 Overseas Investors**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

## **2.7 Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

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### **3. DETAILS OF THE OFFER**

#### **3.1 Offer**

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Shares at an issue price of \$0.0289 per Share to raise up to \$289 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

#### **3.2 Objective**

The Company is seeking to raise only a nominal amount of \$289 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

#### **3.3 Application for Shares**

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.0289 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

<b>Delivery by hand</b>	<b>Delivery by post</b>
Suite 3, Level 2, 470 Collins Street MELBOURNE VIC 3000	Suite 3, Level 2, 470 Collins Street MELBOURNE VIC 3000

Cheques should be made payable to "**VIP Gloves Limited – Share Offer Account**" and crossed "**Not Negotiable**". Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

### **3.4 Minimum subscription**

There is no minimum subscription for the Offer.

### **3.5 Issue of Shares**

Issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

### **3.6 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

### **3.7 Restrictions on the distribution of the Prospectus**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

### **3.8 Enquiries**

Any questions concerning the Offer should be directed to Andrew Metcalfe, Company Secretary, on +61 (0) 3 9867 7199.



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## 4. PURPOSE AND EFFECT OF THE OFFER

### 4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.9 of this Prospectus for further details relating to the estimated expenses of the Offer.

### 4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares <sup>1</sup>	Number
Shares currently on issue <sup>2</sup>	650,408,529
Shares offered under this Prospectus <sup>3</sup>	10,000
<b>Total Shares on issue on completion of the Offer <sup>4</sup></b>	<b>660,408,529</b>

**Notes:**

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. As per Appendix 2A dated 11 December 2019.
3. This assumes the Offer is fully subscribed and no Convertible Notes convert into Shares prior to the Closing Date.
4. At the Company's Annual General Meeting held on 29 November 2019, the Company received shareholder approval to issue up to a further 58,546,058 Shares. The Company will release further announcements and formalities to Shareholders in due course as the Company issues these additional Shares.

Convertible Notes <sup>1</sup>	Number
Issued at face value of \$0.15 (15 cents) per note, with a 12% per annum coupon rate	1,600,000
Issued at face value of \$0.05 (5 cents) per note, with a 12% per annum coupon rate	9,200,007
<b>Total Convertible Notes on issue on completion of the Offer</b>	<b>10,800,007</b>

**Notes:**

1. As per Appendix 2A dated 11 December 2019.

### 4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$289) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$289 less costs of preparing the Prospectus of approximately \$10,000.

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## 5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### 5.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

A general meeting of Shareholders may be called by a resolution of the Directors or as otherwise provided for by the Corporations Act and any other applicable law.

### 5.2 Voting rights

Unless a poll is properly requested, a resolution put to the vote at a general meeting must be decided on a show of hands, where each Shareholder present (in person, by proxy, attorney or representative) has 1 vote.

A poll may be requested on any resolution. If a poll is properly requested, the result of the poll is taken to be the resolution of the meeting. A poll may be requested by:

- (a) at least 5 Shareholders entitled to vote on the resolution;
- (b) Shareholders with at least 5% of the votes that may be cast on the resolution on a poll; or
- (c) the Chairperson.

On a poll, each Shareholder present (in person, by proxy, attorney or representative) has 1 vote for each fully paid Share they hold as at the Record Time and a fraction of a vote for each partly paid Share they hold at the Record Time (where that fraction is equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) and amounts paid in advance of a call are ignored).

In the event of an equality of votes, the Chairperson has a casting vote in addition to any personal deliberative vote of the Chairperson.

The Directors may permit that, at any general meeting or class meeting, a Shareholder who is entitled to attend and vote on a resolution may vote on that resolution by way of a Direct Vote. A **Direct Vote** includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors.

### 5.3 Dividend rights

Subject to the ASX Listing Rules and the Corporations Act, this Constitution and the terms of issue or rights of any Shares with special rights to dividends, the Directors may:

- (a) determine that any interim or final dividend is payable;
- (b) fix the amount of the dividend and time for payment; and
- (c) authorise the payment or credit by the Company to, or at the direction of, each Shareholder entitled to a dividend.

The Directors may rescind a decision to pay a dividend if they decide, before the payment date, if the Company's financial position no longer justifies the payment. The Directors may pay any dividends required to be paid under the terms of issue of a Share.

Interest is not payable by the Company in respect of any dividend.

Subject to relevant law, the Directors may:

- (a) before paying any dividend, set aside such sums as they think proper as reserves or provisions, to be applied (at their discretion) for any purpose for which such sums may be properly applied; and
- (b) carry forward so much of the profits remaining as they consider ought not to be distributed as dividends or capitalised, without necessarily transferring those profits to a reserve or provision.

Pending any such application, the reserves or provisions may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit.

The Directors may implement a dividend reinvestment plan on any terms, under which the dividends of participants are applied in subscribing for Shares in the Company or a related body corporate and the Directors may amend, suspend or end that plan.

The Directors may implement a dividend selection plan on any terms, under which participants may choose (to the extent determined by the Directors):

- (a) to receive a dividend from the Company out of a particular reserve or out of profits or other moneys derived from a particular source;
- (b) to forego a dividend from the Company in place of another distribution from the Company or another body corporate or a trust; or
- (c) to receive securities of the Company or a related body corporate in place of dividends or other cash payments,

and the Directors may amend, suspend or end of that plan.

## **5.4 Winding-up**

Subject to Relevant Law and the rights and restrictions attached to any class of securities, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company:

- (a) divide among the Shareholders in specie or in kind, the whole or any part of the property of the Company and may for that purpose set such value as the Directors consider fair on any property to be divided and may determine how the division will be carried out as between the Shareholders or different classes of Shareholders holding securities; or

- (b) vest the whole or any part of the Company's property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any securities in respect of which there is any liability,

or do both.

## **5.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

## **5.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

## **5.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

## **5.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

The rights attached to any class of security may, unless the terms of issue state otherwise, be varied with the written consent of the holders of 75% of the securities of the class or by a special resolution passed at a separate meeting of the holders of securities of the class.

## **5.9 Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **6. RISK FACTORS**

### **6.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **6.2 Company specific**

#### **(a) Competitive Position**

The Company's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors, a failure by the Company to position itself successfully to meet changing market conditions, customer demands and technology. Any deterioration in the Company's competitive position may have an adverse effect on the Company's future financial performance and position.

#### **(b) Relationships with key customers**

The Company relies on various key customer relationships. The Company operates under short term (and short form) contracts with its customers, some of which can be terminated without cause. Customers may terminate those contracts or not renew those contracts, which may significantly affect revenue generation.

#### **(c) Relationships with key suppliers**

The Company relies on various key procurement relationships for the supply of raw materials and services. There are key risks associated with key supplier relationships, which may include:

- (i) the availability and price of raw materials, plant and equipment and services required for the Company's business may be impacted by shortages in supply, interruptions in production (including due to operational, industrial relations or transportation difficulties, accidents or natural disasters), worldwide pricing levels and new laws or regulations; and / or
- (ii) key supplier agreements may be terminated or varied by the relevant supplier on short notice and the Company may not be able to find a replacement supplier in a timely manner.

Any of the above, either individually or in combination, could have an adverse effect on the Company's financial performance and position.

(d) **Jurisdictional risk**

The Company's current manufacturing operations are conducted in Malaysia. Accordingly, the Company has material assets and exposure in and to Malaysia's legal system and laws. There may be some inherent risks operating in Malaysia as there may be unforeseen barriers for foreign entities pursuing their rights under Malaysian law or regulatory changes which do not provide for reviews. The laws of Malaysia and Australia are materially different. Some of the contracts entered into by the Company may be governed by Malaysian laws and generally many not be as extensive or detailed as corresponding contracts governed by Australian laws.

(e) **Foreign exchange risks**

The Company's operational costs and expenses in Malaysia are in Malaysian ringgit. Accordingly, the depreciation and/or appreciation of the Malaysian currency relative to the Australian currency could result in a translation loss on consolidation which is taken directly to Shareholder equity. Any depreciation of the Malaysian currency relative to the Australian currency may also result in lower than anticipated revenue, profits and earnings. The Company will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and Malaysian ringgit and will have to monitor this risk on an ongoing basis.

(f) **Workplace health and safety**

If one of the Company's employee is injured in the course of their employment, then the Company may be liable for penalties or damages. This risk also has the potential to harm the reputation and future financial performance and position of the Company.

(g) **Reputational damage**

The Company's reputation could be adversely impacted by a number of factors, including failure to provide customers with the quality of service they expect, product liability claims, disputes or litigation with third parties such as customers, landlords, employees or suppliers, or adverse media coverage. A significant decline in the Company's reputation could have an adverse effect on the Company's financial performance and position.

(h) **Going concern risk**

While completing the audit review of the Company's full year financial report for the year ended 30 June 2019, the Company's auditor, RSM Australia Partners noted in their audit report a material uncertainty with regard to the ability of the Company to continue as a going concern.

Notwithstanding the material uncertainty included in the full year financial report, the Directors believe that based upon the successful completion of the capital raising contemplated by Resolution 14 approved by Shareholders at the Company's Annual General Meeting held on 29 November 2019, the Company will have sufficient funds to adequately meet the Company's current debt repayment commitments and short term working capital requirements. However, it is highly likely

that further funding will be required to meet the medium to long term working capital costs of the Company.

In the event that the above capital raising is not completed successfully there is uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities and the value of the Company's Shares.

(i) **Interruptions to operations**

The Company's operations may be exposed to short, medium or long-term interruptions arising from events including industrial disputes, electricity and gas interruptions, work stoppages, acts of terrorism, fires, floods, earthquakes, and other natural disasters. Such disasters and events may lead to widespread destruction of property and could significantly impact the Company's financial performance and position.

(j) **Industrial action may occur**

There is a risk that Company employees or employees of the Company's contractors could take industrial action. This could disrupt operations and/or result in claims by those employees that could increase operating expenses.

Sustained industrial action by employees would reduce the Company's sales revenue and damage the Company's reputation. Any material reduction in sales revenue, increase in operating expenses or damage to the Company's reputation as a result of industrial action may have an adverse effect on the Company's future financial performance and position.

(k) **Insurance Risk**

The Company's insurance coverage may be inadequate to cover losses it sustains. In the event of an uninsured loss or a loss in excess of insured limits, the Company could suffer damage to its reputation and/or lose future sales revenues. Any material loss not covered by insurance could adversely affect the Company's business, financial condition and results of operations.

### **6.3 Industry specific**

(a) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(b) **Litigation**

The Company may be the subject of complaints or litigation by customers, suppliers, governmental agencies or other third parties. Such matters may have an adverse effect on the Company's reputation, divert its financial and management resources from other uses, or have a material adverse effect on the Company's future financial performance or position.

## **6.4 General risks**

### **(a) Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

### **(b) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **(c) Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

### **(d) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.



(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(g) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(h) **Funding risk**

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of development or research. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Further, the Company, in the ordinary course of its operations and developments, is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issue and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if

breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

The Company is exposed to risks associated with its financial instruments (consisting of cash, receivables, accounts payable and accrued liabilities due to third parties from time to time). This includes the risk that a third party to a financial instrument fails to meet its contractual obligations; the risk that the Company will not be able to meet its financial obligations as they fall due; and the risk that market prices may vary which will affect the Company's income.

(i) **Dilution**

In the future, the Company may elect to issue additional Shares to fund its operations. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of the allotment of additional Shares in the future.

(j) **Laws and regulations**

The laws and regulations in Malaysia differ to those that exist in Australia. Laws may unexpectedly change and could have an impact on the Company's operational activities in Malaysia. While the Company has operated successfully within the Malaysian legal and regulatory environment, unforeseen changes could materially impact the Company's operating results.

(k) **Regulatory risks**

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and its shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

## **6.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **7.2 Potential sale and leaseback of premises**

The Directors note that, as disclosed on page 1 of the Company's 2019 preliminary final report dated 30 August 2019, the Company reached a preliminary agreement for the sale of land and buildings with a book value (at 30 June 2019) of \$6,078,014 that contain the glove manufacturing operations in Malaysia and for a leaseback arrangement from the buyer of these assets.

As disclosed on page 21 of the Company's 2019 Annual Report, the Company continues to explore commercial options for entering into such a sale and leaseback arrangement for the land and buildings held by the Company and its subsidiaries.

### **7.3 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
11 December 2019	Appendix 2A – Application for quotation of securities
2 December 2019	Proposed issue of Securities - VIP
29 November 2019	Results of Meeting
30 October 2019	Notice of Annual General Meeting/Proxy Form
28 October 2019	Reinstatement to Official Quotation
28 October 2019	App4G and Corporate Governance Statement
28 October 2019	Full Year Statutory Accounts

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

## 7.4 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company's Shares were suspended from trading between 1 March 2019 and 28 May 2019 and then again from 1 October 2019 until 28 October 2019. There have been no trades in the Company's Shares as quoted on ASX since 4 June 2019.

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.039	No Shares traded in previous three months
Lowest	\$0.039	No Shares traded in previous three months
Last	\$0.039	No Shares traded in previous three months

## 7.5 Details of substantial holders

Based on publicly available information as at 10 December 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Wee Min Chen	46,150,948	7.10
El Ling Chong	36,937,486	5.68
Leading and Junction Sdn Bhd <sup>1</sup>	128,074,644	19.69 <sup>1</sup>

**Note:**

1. On 29 November 2019, the Company received shareholder approval for the issue of 6,922,955 Shares to Leading and Junction Sdn Bhd pursuant to Resolution 6 of the Company's Notice of Meeting dated 30 October 2019. The Company has confirmed that this issue does not breach the takeover provisions of the Corporations Act and will, to the extent required, seek all necessary further shareholder approvals (including but not limited to approval under section 611 item 7 of the Corporations Act) prior to issuing these Shares.

As the Offer is for a nominal number of Shares, there will be no change to the Company's substantial holders on completion of the Offer.

## 7.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

<b>Director</b>	<b>Shares</b>
Kai Fatt Wong	80,000
Wee Min Chen	46,150,948
Chin Kar Yang	Nil
Michael Higginson	Nil
Peter Wee Ming Ng	Nil
Chee Cheong (David) Low	Nil
How Weng Chang	Nil

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount payable to non-executive directors has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to the current executive and non-executive directors.

<b>Director</b>	<b>Proposed FY ended 2020</b>	<b>FY ended 2019</b>
Kai Fatt Wong	\$78,000	\$55,250
Michael Higginson	\$36,000	\$61,162
Chin Kar Yang (executive)	\$150,000	\$142,785
Wee Min Chen (executive)	\$190,000	\$128,717
Peter Wee Ming Ng	\$36,000	Nil

Director	Proposed FY ended 2020	FY ended 2019
Chee Cheong (David) Low	\$36,000	Nil
How Weng Chang	\$36,000	Nil

## 7.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with;
- (f) its formation or promotion;
- (g) the Offer; or
- (h) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (j) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$3,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$13,624 (excluding GST and disbursements) for legal services provided to the Company.

## 7.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties

involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 7.9 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$10,000 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	1,922
Legal Fees	3,000
Miscellaneous, printing and other expenses	1,872
<b>Total</b>	<b>10,000</b>

## 7.10 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +(61) 3 9867 7199 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.



## **7.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **7.12 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

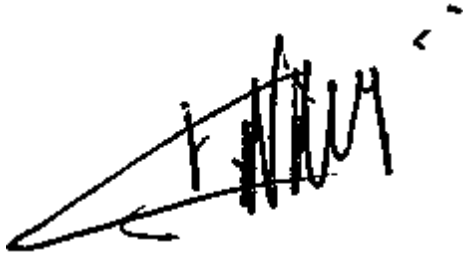
Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the settlement rules of the securities clearing house which operates CHES. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**8. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Kai Fatt Wong', is written over a horizontal line.

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**Dr Kai Fatt Wong**  
**Chairman (non-executive)**  
**For and on behalf of**  
**VIP Gloves Limited**

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## 9. DEFINITIONS

**\$** means Australian dollars.

**Applicant** means an investor who applies for Shares pursuant to the Offer.

**Application Form** means an application form either attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**Board** means the board of Directors unless the context indicates otherwise.

**Closing Date** means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

**Company** means VIP Gloves Limited (ACN 057 884 876).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Offer** means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

**Prospectus** means this prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Boardroom Pty Ltd (ACN 003 209 836).

**Shareholder** means a shareholder of the Company.

**WST** means western standard time as observed in Perth, Western Australia.