

VIP Gloves Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	VIP Gloves Ltd
ABN:	83 057 884 876
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	3.0% to	11,728,642
Loss from ordinary activities after tax	up	101.5% to	(4,682,096)
Loss for the year	up	101.5% to	(4,682,096)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4,682,096 (30 June 2018: \$2,323,847).

The loss includes an impairment of inventory amounting to \$2,001,989 (2018: Nil), a write-down of the value of plant & equipment amounting to \$336,366 (2018: Nil) both associated with the Company's chain manufacturing operations undertaken by its subsidiary KLE Products; and impairment of receivables amounting to \$302,183 (2018: \$1,042,101).

The Company has expanded its sales network of nitrile gloves to new markets and has invested working capital on new glove production lines to increase its production facilities in Malaysia.

The Company has sought new capital for the expansion of its production facilities, with the addition of two new lines that are due for commissioning in 2H 2019.

Funding has been received progressively from Leading & Junction Sdn Bhd and Endless Earnings Sdn Bhd amounting to \$5,185,499 under subscription agreements to commit \$8M and \$2M respectively to the Company.

Endless Earnings Sdn Bhd has committed to complete the balance of their Subscription Agreement, amounting to \$590,613, with such shares to be issued subject to receiving shareholder approval.

The Directors have agreed to sell the land and buildings with a book value at 30 June 2019 of \$6,078,014 that contain the glove manufacturing operations in Malaysia and enter into a leaseback arrangement from the buyer of these assets.

The Directors have agreed to cease the Company's loss-making chain manufacturing equipment and operations undertaken by its subsidiary KLE Products.

The actions agreed by Directors will reduce losses and generate capital to expand its glove manufacturing operations and provide working capital to the Company.

Following the resignation of Ms Kah Ling Chang from the Board, Dr Kai Fatt (Joe) Wong who re-joined the Board in October 2018, was appointed Chair. In addition, the founder of KLE Products, Mr WM Chen also re-joined the Board as a non-executive director in November 2019. Mr How Weng Chang joined the Board subsequent to year end.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.96	1.21

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

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

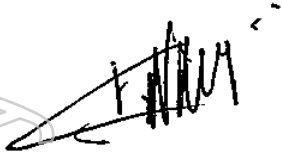
The financial statements are in the process of being audited.

11. Attachments

Details of attachments (if any):

The financial statements of VIP Gloves Ltd for the year ended 30 June 2019 is attached.

12. Signed



Signed _____

Dr Kai Fatt (Joe) Wong
Chairman

Date: 30 August 2019

For personal use only

VIP Gloves Ltd

ABN 83 057 884 876

Appendix 4E - financial statements - 30 June 2019

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VIP Gloves Ltd
Corporate directory
30 June 2019

Directors	Dr Kai Fatt (Joe) Wong - Non-executive Chairman Chin Kar Yang – Non-Executive Director Wayne Johnson – Non-Executive Director Michael Higginson – Non-Executive Director Wee Min Chen – Non-Executive Director How Weng Chang – Non-Executive Director
Company secretary	Andrew Metcalfe
Registered office	C/- Accosec & Associates Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia
Principal place of business	No. 17 Jalan Perusahaan 1, Kawasan Perusahaan, Beranang 43700 Beranang, Selangor Darul Ehsan Malaysia
Share register	Boardroom Limited Level 7, 207 Kent Street Sydney NSW 2000 Investor phone number: (Australia) 1300 737 760 Investor phone number: (Overseas) +61 (0) 2 9290 9600
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000
Bankers	Westpac Banking Corporation Ltd Melbourne, Australia Hong Leong Bank Kuala Lumpur, Malaysia
Stock exchange listing	VIP Gloves Ltd shares are listed on the Australian Securities Exchange (ASX code: VIP)
Corporate Governance Statement	www.vipglove.com.my

VIP Gloves Ltd

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General information

The financial statements cover VIP Gloves Ltd as a consolidated entity consisting of VIP Gloves Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is VIP Gloves Ltd's functional and presentation currency.

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

Registered office

C/- Accosec & Associates
Suite 3, Level 2
470 Collins Street
Melbourne VIC 3000
Australia

Principal place of business

No. 17 Jalan Perusahaan 1,
Kawasan Perusahaan, Beranang
43700 Beranang, Selangor Darul Ehsan
Malaysia

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 30 August 2019. The Directors have the power to amend and reissue the financial statements.

VIP Gloves Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

		Consolidated	
	Note	30 June 2019	30 June 2018
		\$	\$
Revenue			
Revenue		11,728,642	11,391,412
Cost of goods sold		<u>(13,541,777)</u>	<u>(10,769,874)</u>
Gross (loss) / profit		<u>(1,813,135)</u>	<u>621,538</u>
Other income	4	478,502	681,379
Interest revenue		6,814	26,556
Expenses			
Employee benefits expense		(626,893)	(726,223)
Depreciation and amortisation expense	5	(567,481)	(104,764)
Impairment of assets		(336,366)	-
Loss on disposal of assets		(10,078)	(18,464)
Legal and professional fees		(340,847)	(471,714)
Foreign exchange losses		-	(22,242)
Impairment of receivables		(302,183)	(1,042,101)
Administration expenses		(476,531)	(552,552)
Finance costs	5	<u>(693,898)</u>	<u>(715,260)</u>
Total expenses		<u>(3,354,277)</u>	<u>(3,653,320)</u>
Loss before income tax expense		(4,682,096)	(2,323,847)
Income tax expense		-	-
Loss after income tax expense for the year		(4,682,096)	(2,323,847)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(237,174)</u>	<u>2,517</u>
Other comprehensive income for the year, net of tax		<u>(237,174)</u>	<u>2,517</u>
Total comprehensive income for the year		<u><u>(4,919,270)</u></u>	<u><u>(2,321,330)</u></u>
		Cents	Cents
Basic loss per share	20	(1.02)	(0.63)
Diluted loss per share	20	(1.02)	(0.63)

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

VIP Gloves Ltd
Statement of financial position
As at 30 June 2019

		Consolidated	
	Note	30 June 2019	30 June 2018
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	54,443	367,327
Trade and other receivables	7	933,139	1,032,454
Inventories	8	995,809	3,713,354
Financial assets	9	307,908	292,988
Other	10	62,621	70,980
Total current assets		<u>2,353,920</u>	<u>5,477,103</u>
Non-current assets			
Property, plant and equipment	11	14,997,561	14,649,153
Total non-current assets		<u>14,997,561</u>	<u>14,649,153</u>
Total assets		<u>17,351,481</u>	<u>20,126,256</u>
Liabilities			
Current liabilities			
Trade and other payables	12	6,020,766	8,562,681
Financial liabilities	13	3,728,328	4,740,757
Income tax	14	171,423	166,850
Total current liabilities		<u>9,920,517</u>	<u>13,470,288</u>
Non-current liabilities			
Financial liabilities	15	1,751,802	2,002,119
Total non-current liabilities		<u>1,751,802</u>	<u>2,002,119</u>
Total liabilities		<u>11,672,319</u>	<u>15,472,407</u>
Net assets		<u>5,679,162</u>	<u>4,653,849</u>
Equity			
Issued capital	16	14,428,136	8,483,553
Reserves	18	(612,221)	(375,047)
Accumulated losses		<u>(8,136,753)</u>	<u>(3,454,657)</u>
Total equity		<u>5,679,162</u>	<u>4,653,849</u>

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

VIP Gloves Ltd
Statement of changes in equity
For the year ended 30 June 2019

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	7,222,087	(377,564)	(1,130,810)	5,713,713
Loss after income tax expense for the year	-	-	(2,323,847)	(2,323,847)
Other comprehensive income for the year, net of tax	-	2,517	-	2,517
Total comprehensive income for the year	-	2,517	(2,323,847)	(2,321,330)
Issue of shares	1,475,000	-	-	1,475,000
Capital raising costs	(213,534)	-	-	(213,534)
Balance at 30 June 2018	8,483,553	(375,047)	(3,454,657)	4,653,849

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	8,483,553	(375,047)	(3,454,657)	4,653,849
Loss after income tax expense for the year	-	-	(4,682,096)	(4,682,096)
Other comprehensive income for the year, net of tax	-	(237,174)	-	(237,174)
Total comprehensive income for the year	-	(237,174)	(4,682,096)	(4,919,270)
Issue of shares	6,037,472	-	-	6,037,472
Capital raising costs	(92,889)	-	-	(92,889)
Balance at 30 June 2019	14,428,136	(612,221)	(8,136,753)	5,679,162

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

VIP Gloves Ltd
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 30 June 2019 \$	30 June 2018 \$
Cash flows from operating activities			
Receipts from customers		11,692,352	12,558,708
Payments to suppliers		(14,501,069)	(12,136,635)
		(2,808,717)	422,073
Interest received		6,814	11,171
Other revenue		-	61,963
Interest and other finance costs paid		(693,898)	(569,004)
Income taxes paid		-	(190,113)
Net cash used in operating activities		(3,495,801)	(263,910)
Cash flows from investing activities			
Payments for property, plant and equipment	11	(1,436,370)	(3,671,141)
Refund of security deposits		752	-
Purchase of financial assets		(14,920)	(32,151)
Proceeds from disposal of property, plant and equipment		-	30,625
Net cash used in investing activities		(1,450,538)	(3,672,667)
Cash flows from financing activities			
Proceeds from issue of shares	16	6,037,472	1,475,000
Proceeds from shares yet to be issued		-	2,103,587
Proceeds from issue of convertible notes		-	995,226
Proceeds from term loan		-	2,084,075
Share issue transaction costs		(92,889)	(213,534)
Repayment of borrowings		(44,049)	-
Proceeds from / (repayment) of trust receipts		(153,265)	(1,825,225)
Repayment of banker' acceptances		-	(88,407)
Repayment of term loan		(316,945)	(368,435)
Repayment of hire purchase loans		(59,296)	(106,413)
Repayment of convertible notes		(906,667)	-
Net cash from financing activities		4,464,361	4,055,874
Net increase/(decrease) in cash and cash equivalents		(481,978)	119,297
Cash and cash equivalents at the beginning of the financial year		(691,871)	(604,589)
Effects of exchange rate changes on cash and cash equivalents		(4,333)	(206,579)
Cash and cash equivalents at the end of the financial year	6	<u>(1,178,182)</u>	<u>(691,871)</u>

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

Note 1. Significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of VIP Gloves Ltd ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. VIP Gloves Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Note 1. Significant accounting policies (continued)

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

VIP Gloves Ltd
Notes to the financial statements
30 June 2019

Note 3. Operating segments

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (CODM) (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

During the period, the Company's considers that it has only operated in one segment, being a manufacturing and engineering business in Malaysia. However, the consolidated entity has operated across two geographical locations, Malaysia and Australia. 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 a monthly basis.

The Company is domiciled in Australia. Revenue from external customers is generated in Malaysia. Assets are located in Malaysia and Australia.

Note 4. Other income

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Net foreign exchange gain	374,567	606,862
Net gain on disposal of property, plant and equipment	-	27,938
Writeback doubtful debt provisions no longer required	96,281	37,023
Other revenue	7,654	9,556
	<u>478,502</u>	<u>681,379</u>
Other income		

Note 5. Expenses

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Provision for impairment</i>		
Impairment of inventories (included in cost of goods sold)	2,001,989	-
Impairment of receivables	302,183	1,042,101
Impairment of plant and equipment	336,366	-
	<u>2,640,538</u>	<u>1,042,101</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	693,898	715,260
<i>Employee benefits expense</i>		
Employee benefits expense	626,893	726,223

VIP Gloves Ltd
Notes to the financial statements
30 June 2019

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Cash at bank	<u>54,443</u>	<u>367,327</u>
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	54,443	367,327
Bank overdraft (note 13)	<u>(1,232,625)</u>	<u>(1,059,198)</u>
Balance as per statement of cash flows	<u>(1,178,182)</u>	<u>(691,871)</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Trade receivables	2,044,641	1,866,310
Less: Allowance for expected credit losses	<u>(1,403,164)</u>	<u>(1,163,624)</u>
	641,477	702,686
Receivable from related parties	<u>163,235</u>	<u>122,138</u>
Other receivables	<u>128,427</u>	<u>207,630</u>
	<u>933,139</u>	<u>1,032,454</u>

Note 8. Current assets - inventories

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Raw materials	1,224,232	1,228,435
Work in progress	550,407	758,839
Finished goods	1,256,249	1,726,080
Provision for impairment	<u>(2,035,079)</u>	<u>-</u>
	<u>995,809</u>	<u>3,713,354</u>

Note 9. Current assets - financial assets

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Fixed term deposits	<u>307,908</u>	<u>292,988</u>

VIP Gloves Ltd
Notes to the financial statements
30 June 2019

Note 10. Current assets - other

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Prepayments	12,691	20,298
Deposits	49,930	50,682
	<u>62,621</u>	<u>70,980</u>

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Plant and equipment - at cost	6,552,859	5,887,039
Less: Accumulated depreciation	(2,253,426)	(1,643,598)
Less: Impairment	(341,926)	-
	<u>3,957,507</u>	<u>4,243,441</u>
Motor vehicles - at cost	12,741	12,401
Less: Accumulated depreciation	(2,760)	(207)
	<u>9,981</u>	<u>12,194</u>
Office equipment - at cost	118,504	117,993
Less: Accumulated depreciation	(32,995)	(22,593)
	<u>85,509</u>	<u>95,400</u>
Leasehold land	6,496,473	4,991,432
Leasehold buildings	707,789	2,020,634
Less: Accumulated depreciation	(510,478)	(397,303)
	<u>197,311</u>	<u>1,623,331</u>
Capital works in progress	4,250,780	3,683,355
	<u>14,997,561</u>	<u>14,649,153</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The Directors do not believe that there has been a material movement in fair value since the prior reporting period.

Note 12. Current liabilities - trade and other payables

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Trade payables	3,109,473	3,640,162
Payable to related parties	100,892	144,941
Payable - applications for issued capital	-	2,103,587
Other payables and accruals	2,810,401	2,673,991
	<u>6,020,766</u>	<u>8,562,681</u>

VIP Gloves Ltd
Notes to the financial statements
30 June 2019

Note 13. Current liabilities - financial liabilities

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Bank overdraft	1,232,625	1,059,198
Term loans (1)	1,265,132	1,326,087
Convertible notes payable (2)	700,000	1,606,667
Trust receipts	534,645	687,910
Hire purchase	(4,074)	60,895
	<u>3,728,328</u>	<u>4,740,757</u>

(1) Current Financial Liabilities includes \$1,265,132 of Term Loans with Hong Leong Bank and AmBank which are fully classified as current.

(2) Convertible Notes principle payments owing to two holders have been agreed to be repaid by 31 October 2019.

Note 14. Current liabilities - income tax

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Provision for income tax	<u>171,423</u>	<u>166,850</u>

Note 15. Non-current liabilities - financial liabilities

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Term loans	1,733,410	1,989,400
Hire purchase	18,392	12,719
	<u>1,751,802</u>	<u>2,002,119</u>

Note 16. Equity - issued capital

	Consolidated			
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>593,221,525</u>	<u>384,312,495</u>	<u>14,428,136</u>	<u>8,483,553</u>

VIP Gloves Ltd
Notes to the financial statements
30 June 2019

Note 16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2017	354,812,495		7,222,087
Issue of shares	22 Dec 2017	9,200,000	\$0.0500	460,000
Issue of shares	26 Feb 2018	10,000,000	\$0.0500	500,000
Issue of shares	20 Mar 2018	10,300,000	\$0.0500	515,000
Capital raising costs		-	\$0.0000	(213,534)
Balance	30 June 2018	384,312,495		8,483,553
Issue of shares	3 Oct 2018	6,920,414	\$0.0289	200,000
Issue of shares	25 Oct 2018	3,460,207	\$0.0289	100,000
Issue of shares	11 Dec 2018	18,990,733	\$0.0289	548,833
Issue of shares	21 Dec 2018	6,417,625	\$0.0289	185,469
Issue of shares	17 Jan 2019	7,965,539	\$0.0289	230,204
Issue of shares - conversion of debt to shares	21 Jan 2019	6,466,198	\$0.0289	186,873
Issue of shares	19 Feb 2019	121,151,689	\$0.0289	3,501,284
Issue of shares - conversion of debt to shares	14 Mar 2019	7,956,123	\$0.0289	229,932
Issue of shares	8 May 2019	29,580,502	\$0.0289	854,877
Capital raising costs		-	\$0.0000	(92,889)
Balance	30 June 2019	<u>593,221,525</u>		<u>14,428,136</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2018 Annual Report.

VIP Gloves Ltd
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Note 17. Equity - options

Options
30 June 2019 - Unlisted

Expiry date	Exercise price \$	Outstanding at 1 Jul 2018	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2019
28/01/2019	\$0.1000	23,500,000	-	-	(23,500,000)	-

Options
30 June 2018 - Unlisted

Expiry date	Exercise price \$	Outstanding at 1 Jul 2017	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2018
28/01/2019	\$0.1000	23,500,000	-	-	-	23,500,000

Note 18. Equity - reserves

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Foreign currency reserve	<u>(612,221)</u>	<u>(375,047)</u>

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2019 %	30 June 2018 %
KLE Products Sdn Bhd	Malaysia	100.00%	100.00%
VIP Glove Sdn Bhd	Malaysia	100.00%	100.00%

Note 20. Earnings per share

	Consolidated	
	30 June 2019	30 June 2018
	\$	\$
Loss after income tax	<u>(4,682,096)</u>	<u>(2,323,847)</u>
	Cents	Cents
Basic loss per share	(1.02)	(0.63)
Diluted loss per share	(1.02)	(0.63)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>459,255,835</u>	<u>368,475,394</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>459,255,835</u>	<u>368,475,394</u>

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