VIP Gloves Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	VIP Gloves Limited
ABN:	83 057 884 876
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	83.6%	to	1,743,030
Loss from ordinary activities after tax	up	75.1%	to	(12,916,648)
Loss for the year	up	75.1%	to	(12,916,648)

Comments
Revenue for the financial year decreased to $1,743,030 from $10,597,008 during the financial year ended 30 June 2022 due to the temporary cessation of glove manufacturing operations since December 2022. Management took a bold move to suspend its manufacturing facility due to challenging business environment brought forth by massive increases in global nitrile gloves production capacity.

As a result of the closure of plant, direct costs have reduced to $3,591,643 (30 June 2022: $15,641,785). The loss for the consolidated entity after providing for income tax amounted to $12,916,648 (30 June 2022: $7,376,930).

During the financial year, the company successfully disposed its land and property for $5,625,786 (RM17,000,000), and recorded a net gain of $2,742,485 (30 June 2022: nil). The proceeds were also used to retire the company's long-term loan. The Company also received a refund of over-paid taxation of $2,030,835, hence provided the much-needed cashflow to support operating expenses during the financial year.

At the same time, the company made an impairment of certain old plant and machinery amounted to $10,543,758 (30 June 2022: nil). Inventory amounted to $853,669 (30 June 2022: nil) has also been written off during the financial year, as cost of production was higher than realisable value of stocks based on prevailing market prices.

The Company, via its appointed legal representatives is continuing its defence for the purported share placement arrangement since 2020. Whilst the High Court had initially allowed the company's striking out application, the Court of Appeal had set aside the High Court's order via upon the Plaintiff's appeal, and hence the case has now reverted to the High Court. The company through its solicitors will vigorously defend against the Plaintiff's claim.

The Company received a letter of financial support and undertaking from a significant shareholder to provide financial assistance to enable the Company to continue business operations if required.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.04	1.67

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Dividends

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

Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend for the year ended 30 June 2022 paid during the previous financial year.	0.050	-

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any): None; the financial statements are in the process of being audited.

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11. Attachments

Details of attachments (if any):

The Annual Report of VIP Gloves Limited for the year ended 30 June 2023 is attached.

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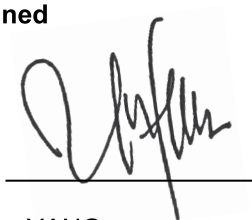
12. Signed



Signed ______________________________ Date: 28 August 2024

Chin Kar YANG
Managing Director

VIP Gloves Limited

ABN 83 057 884 876

Appendix 4E Financial Statements - 30 June 2023

Directors	Chin Kar YANG – Managing Director Kay Wen CHEN - Executive Director Alfonso Hin Ming CHU - Non-Executive Director, Independent Gang ZHOU - Non-Executive Director, Independent Hui ZHOU - Non-Executive Director, Independent
Company secretary	Mark William MAINE
Registered office	C/- Accosec & Associates Level 26 360 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 8, 210 George Street Sydney NSW 2000 Investor phone number: (Australia) 1300 737 760 Investor phone number: (Overseas) +61 (0) 2 9290 9600
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Bankers	Westpac Banking Corporation Ltd, Melbourne, Australia Hong Leong Bank, Kuala Lumpur, Malaysia
Stock exchange listing	VIP Gloves Limited shares are listed on the Australian Securities Exchange (ASX code: VIP) VIP securities have been suspended from trading since 7 February 2023
Website	www.vipglove.com.my

VIP Gloves Limited
Contents
30 June 2023

General information

The financial statements cover VIP Gloves Limited as a consolidated entity consisting of VIP Gloves Limited 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 Limited's functional and presentation currency.

VIP Gloves 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

C/- Accosec & Associates Level 26
360 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 28 August 2024. The Directors have the power to amend and reissue the financial statements.

VIP Gloves Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Revenue			
Revenue		1,743,030	10,597,008
Cost of goods sold		(3,591,643)	(15,641,785)
Gross (loss)/profit		(1,848,613)	(5,044,777)
Other income	4	2,874,241	231,209
Interest revenue		15	273
Expenses			
Employee benefits expense	5	(897,415)	(1,180,309)
Impairment of property, plant & equipment	5	(10,543,758)	-
Impairment of inventory	5	79,095	(472,729)
Legal and professional fees		(628,858)	(324,062)
Commissions		(506,321)	-
Foreign exchange losses		(92,106)	-
Movement in provision for expected credit losses	5	109,655	(471,638)
Administration expenses		(460,205)	(362,132)
Total expenses		(12,939,913)	(2,810,870)
Loss before depreciation and amortisation, finance costs, share-based payments and income tax (expense)/benefit		(11,914,270)	(7,624,165)
Depreciation and amortisation expense	5	(318,215)	(162,346)
Loss on disposal of assets	5	-	(9,205)
Share-based payments		-	(697,150)
Finance costs	5	(393,165)	(99,947)
Loss before income tax (expense)/benefit		(12,625,650)	(8,592,813)
Income tax (expense)/benefit		(290,998)	1,215,883
Loss after income tax (expense)/benefit for the year		(12,916,648)	(7,376,930)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		74,026	481,779
Other comprehensive income for the year, net of tax		74,026	481,779
Total comprehensive income for the year		(12,842,622)	(6,895,151)
		Cents	**Cents**
Basic loss per share	19	(1.642)	(0.937)
Diluted loss per share	19	(1.642)	(0.937)

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

VIP Gloves Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Assets			
Current assets			
Cash and cash equivalents	6	452,891	15,884
Trade and other receivables	7	2,410,401	59,337
Inventories	8	-	853,669
Deposits		704,856	842,115
Income tax refund due		149,615	2,180,450
Prepayments		214,690	110,241
		3,932,453	4,061,696
Non-current assets classified as held for sale		2,563,443	-
Total current assets		6,495,896	4,061,696
Non-current assets			
Property, plant and equipment	10	298,268	17,090,275
Right-of-use assets	9	1,170,890	-
Total non-current assets		1,469,158	17,090,275
Total assets		7,965,054	21,151,971
Liabilities			
Current liabilities			
Trade and other payables	11	4,238,256	3,873,817
Contract liabilities	12	306,722	531,480
Other financial liabilities	13	657,806	1,624,045
Lease liabilities	14	406,505	-
Income tax		-	514,150
Total current liabilities		5,609,289	6,543,492
Non-current liabilities			
Other financial liabilities	13	1,254,468	1,437,526
Lease liabilities	14	772,966	-
Total non-current liabilities		2,027,434	1,437,526
Total liabilities		7,636,723	7,981,018
Net assets		328,331	13,170,953
Equity			
Issued capital	15	21,669,410	21,669,410
Reserves		(1,051,525)	3,240,214
Accumulated losses		(20,289,554)	(11,738,671)
Total equity		328,331	13,170,953

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

VIP Gloves Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021	21,615,410	4,293,980	(1,607,330)	(4,586,250)	19,715,810
Loss after income tax benefit for the year	-	-	-	(7,376,930)	(7,376,930)
Other comprehensive income for the year, net of tax	-	-	481,779	-	481,779
Total comprehensive income for the year	-	-	481,779	(7,376,930)	(6,895,151)
Transactions with owners in their capacity as owners:					
Vesting of share-based payments	54,000	643,150	-	-	697,150
Transfer of cancelled share-based payments	-	(571,365)	-	571,365	-
Dividends paid (note 17)	-	-	-	(346,856)	(346,856)
Balance at 30 June 2022	21,669,410	4,365,765	(1,125,551)	(11,738,671)	13,170,953

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	21,669,410	4,365,765	(1,125,551)	(11,738,671)	13,170,953
Loss after income tax expense for the year	-	-	-	(12,916,648)	(12,916,648)
Other comprehensive income for the year, net of tax	-	-	74,026	-	74,026
Total comprehensive income for the year	-	-	74,026	(12,916,648)	(12,842,622)
Transactions with owners in their capacity as owners:					
Cancellation of options and performance rights (note 15)	-	(4,365,765)	-	4,365,765	-
Balance at 30 June 2023	21,669,410	-	(1,051,525)	(20,289,554)	328,331

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

VIP Gloves Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Receipts from customers		2,078,000	11,478,394
Payments to suppliers and employees		(4,653,000)	(10,760,110)
		(2,575,000)	718,284
Interest received		-	273
Interest and other finance costs paid		(393,000)	(99,947)
Income tax refunded		1,328,000	-
Income taxes paid		-	(1,474,641)
Net cash used in operating activities		(1,640,000)	(856,031)
Cash flows from investing activities			
Payments for property, plant and equipment	10	(18,000)	(460,540)
Proceeds from disposal of property, plant and equipment		1,864,000	2,279
Net cash from/(used in) investing activities		1,846,000	(458,261)
Cash flows from financing activities			
Proceeds from deposit for convertible notes not yet issued		-	98,837
Proceeds from borrowings		1,960,000	-
Other (Director's advances for working capital purpose)		24,000	-
Dividends paid	17	-	(346,856)
Repayment of borrowings and term loan		(1,741,000)	(157,958)
Proceeds from / (repayment) of borrowings from related parties		-	15,232
Net cash from/(used in) financing activities		243,000	(390,745)
Net increase/(decrease) in cash and cash equivalents		449,000	(1,705,037)
Cash and cash equivalents at the beginning of the financial year		15,884	1,691,921
Effects of exchange rate changes on cash and cash equivalents		(11,993)	29,000
Cash and cash equivalents at the end of the financial year	6	452,891	15,884

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

Note 1. Material 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.

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 Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. VIP Gloves Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company 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 Company. 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 Company 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 Company 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 VIP Gloves Limited's functional and presentation currency. The functional currency of KLE Products Sdn Bhd and VIP Glove Sdn Bhd 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.

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

Note 1. Material accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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. The consolidated entity engaged an independent accredited valuation firm to undertake a fair value assessment of land and buildings, and a separate assessment to value the plant and equipment. Both assessments of land and property, plant and equipment returned values greater than the values currently reported in the consolidated entity's statement of financial position, and no impairment was required.

Impairment of property, plant and equipment
The consolidated entity assesses impairment of property, plant and equipment 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. The consolidated entity engaged an independent accredited valuation firm to undertake a fair value assessment of land and buildings, and a separate independent assessment to value the plant and equipment. Both independent assessments of land and property, plant and equipment returned values greater than the values currently reported in the consolidated entity's statement of financial position, and no impairment of land and property, plant and equipment was required.

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. Carry forward tax losses have not been recognised in the Company's financial statements due to the low average selling prices, the current low operating margins and increased competition in the glove manufacturing business such that the Company cannot predict when the tax losses will be utilised.

Note 3. Operating segments

Identification of reportable 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.

Note 3. Operating segments (continued)

During the period, the Company's considers that it has only operated in one segment, being a nitrile glove manufacturing 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.

Consolidated - 30 June 2023	Malaysia $	Australia $	elimination / unallocated $	Total $
Revenue				
Sales to external customers	1,743,031	-	-	1,743,031
Interest revenue	14	-	-	14
Total revenue	1,743,045	-	-	1,743,045
EBITDA	(11,177,044)	(235,876)	-	(11,412,920)
Depreciation and amortisation	(819,579)	-	-	(819,579)
Interest revenue	14	-	-	14
Finance costs	-	-	(393,165)	(393,165)
Loss before income tax expense	(11,996,609)	(235,876)	(393,165)	(12,625,650)
Income tax expense				(290,998)
Loss after income tax expense				(12,916,648)
Assets				
Segment assets	7,963,236	7,519,862	(7,518,044)	7,965,054
Total assets				7,965,054
Liabilities				
Segment liabilities	7,331,760	304,963	-	7,636,723
Total liabilities				7,636,723

Consolidated - 30 June 2022	Malaysia $	Australia $	elimination / unallocated $	Total $
Revenue				
Sales to external customers	10,597,008	-	-	10,597,008
Interest revenue	273	-	-	273
Total revenue	10,597,281	-	-	10,597,281
EBITDA	(5,731,794)	(1,137,325)	-	(6,869,119)
Depreciation and amortisation	(1,624,020)	-	-	(1,624,020)
Interest revenue	273	-	-	273
Finance costs	-	-	(99,947)	(99,947)
Loss before income tax benefit	(7,355,541)	(1,137,325)	(99,947)	(8,592,813)
Income tax benefit				1,215,883
Loss after income tax benefit				(7,376,930)
Assets				
Segment assets	21,150,648	7,518,036	(7,516,713)	21,151,971
Total assets				21,151,971
Liabilities				
Segment liabilities	7,689,561	291,457	-	7,981,018
Total liabilities				7,981,018

Note 4. Other income

	Consolidated	
	30 June 2023	30 June 2022
	$	$
Net gain on disposal of property, plant and equipment	2,742,485	-
Other revenue[1]	131,756	231,209
Other income	2,874,241	231,209

(1) Other revenue included $15,408 from sales of scrap metal ((30 June 2022: $208,789).

Note 5. Expenses

	Consolidated	
	30 June 2023	**30 June 2022**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Motor vehicles	50,018	49,436
Office equipment	13,084	13,452
Leasehold buildings	9,819	16,084
Land right-of-use assets	245,294	83,373
Total depreciation	318,215	162,345
Depreciation included in cost of goods sold		
Plant and equipment	501,544	1,461,675
Total depreciation and amortisation	819,759	1,624,020
Provision for impairment		
Impairment of inventories	(79,095)	472,729
Provision for expected credit losses	(109,655)	471,638
Impairment of property, plant and equipment	10,543,758	-
Total impairment	10,355,008	944,367
General and administrative expenses		
Employee wages and related costs	246,723	332,793
Directors fees	650,692	847,516
Auditors fees	44,452	67,845
Other administration expenses	460,205	362,132
Total general and administrative expenses	1,402,072	1,610,286
Share-based payments - equity based performance bonus granted to senior management, directors and key management personnel		
Shares	-	54,000
Options	-	7,181
Performance rights	-	635,969
Total Share-based payment expenses	-	697,150
Finance costs		
Interest and finance charges paid/payable on borrowings	329,263	99,947
Interest and finance charges paid/payable on lease liabilities	63,902	-
Finance costs expensed	393,165	99,947
Net loss on disposal		
Net loss on disposal of property, plant and equipment	-	(9,205)

Note 6. Cash and cash equivalents

	Consolidated	
	30 June 2023 $	30 June 2022 $
Current assets		
Cash at bank	452,891	15,884

Note 7. Trade and other receivables

	Consolidated	
	30 June 2023 $	30 June 2022 $
Current assets		
Trade receivables	507,894	702,153
Less: Allowance for expected credit losses	(506,282)	(699,324)
	1,612	2,829
Receivable from sale of leasehold land & buildings	2,340,970	-
Other receivables	67,819	56,508
	2,410,401	59,337

Note 8. Inventories

	Consolidated	
	30 June 2023 $	30 June 2022 $
Current assets		
Raw materials	333,545	384,607
Less: Provision for impairment	(333,545)	-
	-	384,607
Work in progress	36,572	34,631
Less: Provision for impairment	(36,572)	-
	-	34,631
Finished goods	20,630	912,533
Less: Provision for impairment	(20,630)	(478,102)
	-	434,431
	-	853,669

The provision for impairment is due to cost of production being higher than net realisable value of stock.

Note 9. Right-of-use assets

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Non-current assets		
Land and buildings - right-of-use	1,277,334	-
Less: Accumulated depreciation	(106,444)	-
	1,170,890	-

Note 10. Property, plant and equipment

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Non-current assets		
Plant and equipment - at cost	13,596,890	13,896,574
Less: Accumulated depreciation	(5,506,966)	(4,944,457)
Less: Impairment	(8,089,924)	(129,850)
	-	8,822,267
Motor vehicles - at cost	244,601	249,992
Less: Accumulated depreciation	(137,641)	(90,880)
	106,960	159,112
Office equipment - at cost	133,488	135,789
Less: Accumulated depreciation	(79,492)	(68,218)
	53,996	67,571
Leasehold buildings	786,601	1,746,305
Less: Accumulated depreciation	(140,198)	(133,512)
Less: Impairment	(509,091)	-
	137,312	1,612,793
Capital works in progress	1,762,353	1,786,676
Less: Impairment	(1,762,353)	-
	-	1,786,676
Leasehold land - right-of-use	-	5,270,497
Less: Accumulated depreciation	-	(628,641)
	-	4,641,856
	298,268	17,090,275

* Capital Works in progress represents the new glove production lines 7 & 8 under construction.

Note 11. Trade and other payables

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Current liabilities		
Trade payables	2,683,275	3,152,860
Other payables and accruals	1,554,981	720,957
	4,238,256	3,873,817

Note 12. Contract liabilities

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Current liabilities		
Contract liabilities*	306,722	531,480

* Sales proceeds received in advance of delivery of product.

Note 13. Other financial liabilities

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Current liabilities		
Term loans	152,057	155,408
Amounts payable to related parties	43,496	19,027
Other loans	365,547	-
Deposit for convertible notes	96,706	98,837
Deposit received for sale and leaseback transaction	-	1,350,773
	657,806	1,624,045
Non-current liabilities		
Term loans	1,254,468	1,437,526
	1,912,274	3,061,571

Note 14. Lease liabilities

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Current liabilities		
Lease liability	406,505	-
Non-current liabilities		
Lease liability	772,966	-
	1,179,471	-

Note 15. Issued capital

	Consolidated			
	30 June 2023 Shares	**30 June 2022 Shares**	**30 June 2023 $**	**30 June 2022 $**
Ordinary shares - fully paid	786,781,435	786,781,435	21,669,410	21,669,410

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2021	785,881,435		21,615,410
Issue of shares as consideration for investor relations services	31 Dec 2021	900,000	$0.0600	54,000
Balance	30 June 2022	786,781,435		21,669,410
Balance	30 June 2023	786,781,435		21,669,410

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 2022 Financial Report.

Note 16. Options and performance rights

Options
30 June 2023 - Unlisted

Note 16. Options and performance rights (continued)

Expiry date	Exercise price $	Outstanding at 1 July 2022	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 June 2023
23/10/2023	$0.0450	25,000,000	-	-	(25,000,000)	-
30/06/2023	$0.0750	1,000,000	-	-	(1,000,000)	-
		26,000,000	-	-	(26,000,000)	-

Performance rights
30 June 2023 - Unlisted

Expiry date	Exercise price $	Outstanding at 1 July 2022	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 June 2023
31/10/2023	$0.0000	40,000,000	-	-	(40,000,000)	-

Note 17. Dividends

Dividends paid during the financial year were as follows:

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Final dividend for the year ended 30 June 2021 of 0.05 cents ($0.0005) per ordinary share	-	346,856

Note 18. 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 2023 %	Ownership interest 30 June 2022 %
KLE Products Sdn Bhd	Malaysia	100.00%	100.00%
VIP Glove Sdn Bhd	Malaysia	100.00%	100.00%
VIP PPE Pty Ltd	Australia	100.00%	-

Note 19. Earnings per share

	Consolidated 30 June 2023 $	Consolidated 30 June 2022 $
Loss after income tax	(12,916,648)	(7,376,930)
	Cents	**Cents**
Basic loss per share	(1.642)	(0.937)
Diluted loss per share	(1.642)	(0.937)

Note 19. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	786,781,435	787,230,202
Weighted average number of ordinary shares used in calculating diluted earnings per share	786,781,435	787,230,202

Options and performance rights granted are considered to be potential ordinary shares. On the basis of the consolidated entity's losses, the outstanding options and performance rights are not included in the calculation of diluted earnings per share because they are anti-dilutive.