

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 2024 |
| Previous period:  | For the year ended 30 June 2023 |

2. Results for announcement to the market

|   |      |          | \$          |
|---|------|----------|-------------|
| Revenues from ordinary activities       | down | 4.9% to  | 2,867,812   |
| Loss from ordinary activities after tax | down | 80.2% to | (2,659,830) |
| Loss for the year                       | down | 80.2% to | (2,659,830) |

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,659,830 (30 June 2023: \$13,449,239).

Revenue for the FY2024 rose substantially to \$2,867,812 (30 June 2023 : \$1,743,030), supported by higher trading activities of glove products and improved average selling prices. Compared to the gross loss of \$1,791,226 suffered during the previous financial year, it managed to achieve a break-even position in FY2024.

Overall expenses was lower at \$2,935,760 (30 June 2023 : \$12,949,086) due to the absence of the \$10,543,758 impairment exercise carried out during the previous financial year. As a result, the loss after income tax expenses was also lower at \$2,659,830 (30 June 2023 : \$13,449,239).

The operations at the glove manufacturing facility remained suspended during the financial year, following the temporary shut down of the plant operations since December 2022. Hence the Company mainly focused on trading and reselling of a wide range of glove products, whilst awaiting a suitable time for resumption of manufacturing activities. Thus allowing the Company to ensure its long-term business relationships with its customer base.

The Company has received letters of financial support and undertaking from two significant shareholders to provide financial assistance to enable the Company to continue business operations if required.

Revenue for the financial year increased to \$2,867,812 from \$1,743,030 due to improvement in trading activities for glove products combined with more focussed sales efforts.

3. Net tangible assets

|   | Reporting<br>period<br>Cents | Previous<br>period<br>Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | (0.25)                       | 0.04                        |

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.

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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**

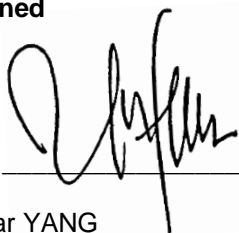
*Details of attachments (if any):*

The unaudited schedules supporting this Appendix 4E are attached.

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**12. Signed**

Signed



Chin Kar YANG  
Managing Director

Date: 9 January 2025

**VIP Gloves Limited**  
**Corporate directory**  
**30 June 2024**

|                             |   |
|-----------------------------|---|
| Directors:                  | Alfonso Hin Ming CHU - Non-Executive Director, Independent and Board Chair<br>Chin Kar YANG – Managing Director<br>Kay Wen CHEN - Executive Director<br>Gang ZHOU - Non-Executive Director, Independent<br>Hui ZHOU - Non-Executive Director, Independent |
| Company secretary           | Mark William MAINE  |
| Registered office           | C/- Coote & Associates<br>C7, 1-3 The Esplanade,<br>Mount Pleasant WA 6153<br>Australia   |
| Principal place of business | No. 17 Jalan Perusahaan 1,<br>Kawasan Perusahaan, Beranang<br>43700 Beranang, Selangor Darul Ehsan<br>Malaysia  |
| Share register              | Boardroom Limited<br>Level 8, 210 George Street<br>Sydney NSW 2000<br>Investor phone number: (Australia) 1300 737 760<br>Investor phone number: (Overseas) +61 (0) 2 9290 9600  |
| Auditor                     | Hall Chadwick Melbourne Chartered Accountants<br>Level 14. 440 Collins Street<br>Melbourne VIC 3000<br>Australia  |
| Bankers                     | Westpac Banking Corporation Ltd, Melbourne, Australia<br>Hong Leong Bank, Kuala Lumpur, Malaysia  |
| Stock exchange listing      | VIP Gloves Limited shares are listed on the Australian Securities Exchange (ASX<br>code: VIP)<br>VIP securities have been suspended from trading since 7 February 2023  |
| Website                     | <a href="http://www.vipglove.com.my">www.vipglove.com.my</a>  |

## VIP Gloves Limited

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30 June 2024

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### 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/- Coote & Associates  
C7, 1-3 The Esplanade,  
Mount Pleasant WA 6153  
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 \_\_\_\_ January 2025. 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 2024**

|  |             | <b>Consolidated</b> |                     |
|--|-------------|---------------------|---------------------|
|  | <b>Note</b> | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  |             | <b>\$</b>           | <b>\$</b>           |
| <b>Revenue</b>   |             |                     |                     |
| Revenue  | 3           | 2,867,812           | 1,743,030           |
| Cost of goods sold   |             | (2,868,170)         | (3,534,256)         |
| Gross (loss)/profit  |             | (358)               | (1,791,226)         |
| Other income   |             | 275,622             | 39,650              |
| Interest revenue   |             | 666                 | 15                  |
| Net gain on disposal of property, plant and equipment                |             | -                   | 1,273,006           |
| <b>Expenses</b>  |             |                     |                     |
| Employee benefits expense  |             | (561,786)           | (897,415)           |
| Depreciation and amortisation expense                                |             | (176,161)           | (214,435)           |
| Impairment of property, plant & equipment                            |             | (631,147)           | (10,543,758)        |
| Writeback / (Impairment) of inventory                                |             | -                   | 79,095              |
| Legal and professional fees  |             | (327,089)           | (628,858)           |
| Movement in provision for expected credit losses                     |             | (649,625)           | 109,655             |
| Administration expenses  |             | (253,355)           | (460,205)           |
| Finance costs  |             | (336,597)           | (393,165)           |
| Total expenses   |             | (2,935,760)         | (12,949,086)        |
| <b>Loss before income tax expense</b>                                |             | (2,659,830)         | (13,427,641)        |
| Income tax expense   |             | -                   | (21,598)            |
| <b>Loss after income tax expense for the year</b>                    |             | (2,659,830)         | (13,449,239)        |
| <b>Other comprehensive income</b>                                    |             |                     |                     |
| <i>Items that may be reclassified subsequently to profit or loss</i> |             |                     |                     |
| Foreign currency translation   |             | 155,308             | 35,826              |
| Other comprehensive income for the year, net of tax                  |             | 155,308             | 35,826              |
| <b>Total comprehensive income for the year</b>                       |             | <u>(2,504,522)</u>  | <u>(13,413,413)</u> |
|  |             | <b>Cents</b>        | <b>Cents</b>        |
| Basic loss per share   | 14          | (0.338)             | (1.709)             |
| Diluted loss per share   | 14          | (0.338)             | (1.709)             |

*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 2024**

|   |             | <b>Consolidated</b> |                     |
|---|-------------|---------------------|---------------------|
|   | <b>Note</b> | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   |             | <b>\$</b>           | <b>\$</b>           |
| <b>Assets</b>   |             |                     |                     |
| <b>Current assets</b>                                   |             |                     |                     |
| Cash and cash equivalents                               |             | 18,117              | 452,891             |
| Trade and other receivables                             | 4           | 142,497             | 2,410,401           |
| Deposits with suppliers                                 |             | 679,947             | 704,856             |
| Income tax refund due                                   |             | -                   | 149,615             |
| Prepayments   |             | 36,195              | 214,690             |
|   |             | <u>876,756</u>      | <u>3,932,453</u>    |
| Non-current assets classified as held for sale          | 6           | 2,542,950           | 2,563,443           |
| Total current assets                                    |             | <u>3,419,706</u>    | <u>6,495,896</u>    |
| <b>Non-current assets</b>                               |             |                     |                     |
| Property, plant and equipment                           | 7           | 104,851             | 298,268             |
| Right-of-use assets                                     | 5           | -                   | 600,099             |
| Total non-current assets                                |             | <u>104,851</u>      | <u>898,367</u>      |
| <b>Total assets</b>                                     |             | <u>3,524,557</u>    | <u>7,394,263</u>    |
| <b>Liabilities</b>                                      |             |                     |                     |
| <b>Current liabilities</b>                              |             |                     |                     |
| Trade and other payables                                | 8           | 3,709,112           | 4,238,256           |
| Prepayments for sales from customers for nitrile gloves |             | 304,270             | 306,722             |
| Other financial liabilities                             | 9           | 199,317             | 657,806             |
| Lease liabilities                                       | 10          | 428,257             | 406,505             |
| Income tax  |             | 173,316             | -                   |
| Total current liabilities                               |             | <u>4,814,272</u>    | <u>5,609,289</u>    |
| <b>Non-current liabilities</b>                          |             |                     |                     |
| Other financial liabilities                             | 9           | 1,118,738           | 1,254,468           |
| Lease liabilities                                       | 10          | 338,529             | 772,966             |
| Total non-current liabilities                           |             | <u>1,457,267</u>    | <u>2,027,434</u>    |
| <b>Total liabilities</b>                                |             | <u>6,271,539</u>    | <u>7,636,723</u>    |
| <b>Net liabilities</b>                                  |             | <u>(2,746,982)</u>  | <u>(242,460)</u>    |
| <b>Equity</b>   |             |                     |                     |
| Issued capital  | 11          | 21,669,410          | 21,669,410          |
| Reserves  |             | (934,417)           | (1,089,725)         |
| Accumulated losses                                      |             | <u>(23,481,975)</u> | <u>(20,822,145)</u> |
| <b>Total deficiency in equity</b>                       |             | <u>(2,746,982)</u>  | <u>(242,460)</u>    |

*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 2024**

| <b>Consolidated</b>  | <b>Issued capital<br/>\$</b> | <b>Share-based payments reserve<br/>\$</b> | <b>Foreign currency translation reserve<br/>\$</b> | <b>Accumulated losses<br/>\$</b> | <b>Total deficiency in equity<br/>\$</b> |
|--|------------------------------|--|--|----------------------------------|--|
| 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                   | -                            | -  | -  | (13,449,239)                     | (13,449,239)                             |
| Other comprehensive income for the year, net of tax          | -                            | -  | 35,826   | -                                | 35,826                                   |
| Total comprehensive income for the year                      | -                            | -  | 35,826   | (13,449,239)                     | (13,413,413)                             |
| <i>Transactions with owners in their capacity as owners:</i> |                              |  |  |                                  |  |
| Cancellation of options and performance rights               | -                            | (4,365,765)                                | -  | 4,365,765                        | -  |
| Balance at 30 June 2023                                      | <u>21,669,410</u>            | <u>-</u>                                   | <u>(1,089,725)</u>                                 | <u>(20,822,145)</u>              | <u>(242,460)</u>                         |

| <b>Consolidated</b>                                 | <b>Issued capital<br/>\$</b> | <b>Share-based payments reserve<br/>\$</b> | <b>Foreign currency translation reserve<br/>\$</b> | <b>Accumulated losses<br/>\$</b> | <b>Total deficiency in equity<br/>\$</b> |
|---|------------------------------|--|--|----------------------------------|--|
| Balance at 1 July 2023                              | 21,669,410                   | -  | (1,089,725)  | (20,822,145)                     | (242,460)                                |
| Loss after income tax expense for the year          | -                            | -  | -  | (2,659,830)                      | (2,659,830)                              |
| Other comprehensive income for the year, net of tax | -                            | -  | 155,308  | -                                | 155,308                                  |
| Total comprehensive income for the year             | -                            | -  | 155,308  | (2,659,830)                      | (2,504,522)                              |
| Balance at 30 June 2024                             | <u>21,669,410</u>            | <u>-</u>                                   | <u>(934,417)</u>                                   | <u>(23,481,975)</u>              | <u>(2,746,982)</u>                       |

*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 2024**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$</b>           | <b>\$</b>           |
| <b>Cash flows from operating activities</b>                      |                     |                     |
| Receipts from customers  | 2,640,291           | 2,682,353           |
| Payments to suppliers and employees                              | (4,398,030)         | (3,394,769)         |
|  | (1,757,739)         | (712,416)           |
| Interest received  | 666                 | 15                  |
| Interest and other finance costs paid                            | (336,597)           | (393,165)           |
| Income tax refunded  | 327,137             | 2,030,835           |
| Income taxes paid  | -                   | (535,748)           |
| Net cash from/(used in) operating activities                     | (1,766,533)         | 389,521             |
| <b>Cash flows from investing activities</b>                      |                     |                     |
| Payments for property, plant and equipment                       | (3,990)             | (18,043)            |
| Proceeds received from sale and leaseback transaction            | 2,359,207           | -                   |
| Net cash from/(used in) investing activities                     | 2,355,217           | (18,043)            |
| <b>Cash flows from financing activities</b>                      |                     |                     |
| Proceeds from borrowings   | -                   | 1,962,407           |
| Repayment of borrowings and term loan                            | (522,493)           | (1,770,191)         |
| Payment of lease liabilities                                     | (409,991)           | (97,863)            |
| Proceeds from / (repayment) of borrowings from related parties   | 4,980               | 24,469              |
| Convertible note deposits refunded                               | (98,706)            | -                   |
| Net cash from/(used in) financing activities                     | (1,026,210)         | 118,822             |
| Net increase/(decrease) in cash and cash equivalents             | (437,526)           | 490,300             |
| Cash and cash equivalents at the beginning of the financial year | 452,891             | 15,884              |
| Effects of exchange rate changes on cash and cash equivalents    | 2,752               | (53,293)            |
| Cash and cash equivalents at the end of the financial year       | <u>18,117</u>       | <u>452,891</u>      |

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



## Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

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

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

The consolidated entity has also early adopted the amendments to AASB 101 with respect to Material Accounting Policy information.

### Going concern

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

For the year ended 30 June 2024, the consolidated entity recorded a loss of \$2,659,830, had net cash outflows from operating activities of \$1,766,533 and had net current liabilities of \$1,394,566.

These conditions above indicate that a material uncertainty exists that may cast significant doubt about the consolidated entity's ability to continue as a going concern, and therefore, whether it will be able to realise its assets and extinguish its assets and liabilities in the normal course of business. The ability to minimize future losses and return to profitability is dependent upon a number of factors including expansion into new markets and the supply of gloves with greater margins, a return to normalised average selling prices across the glove manufacturing industry, reducing operating costs particularly labour costs, and seeking new opportunities for the Company.

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

- The consolidated entity has initiated a cost reduction process, which has seen its monthly cash outflows substantially reduce in the period from 30 June 2023 through to today's date;
- Since 30 June 2023 the consolidated entity has continued to reduce corporate overheads spending;
- In February 2023 the consolidated entity completed a sale and leaseback transaction, which netted in approximately MYR 17m which was used to retire its current borrowing arrangements subsequent to year end;
- The consolidated entity has sold surplus assets to provide working capital and to retire debt; and
- As an ASX-listed entity, the directors may seek to raise capital from existing and new shareholders.

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

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

Large shareholder groups and a related party have written to the Company advising of their ability and intention, if needs be, to provide financial support for a period of at least 16 months from the date of this report.

### 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.

**Note 1. Material accounting policy information (continued)**

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Amounts disclosed as revenue are net of sales returns and trade discounts.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Non-current assets or disposal groups classified as held for sale**

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

**Note 1. Material accounting policy information (continued)**

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

|                            |          |
|----------------------------|----------|
| Buildings and improvements | 50 years |
| Plant and equipment        | 10 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**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.

|           |         |
|-----------|---------|
| Buildings | 3 years |
|-----------|---------|

Right-of-use assets that meet the definition of investment property are measured at fair value where the consolidated entity has adopted a fair value measurement basis for investment property assets.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Note 2. 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.

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.

**VIP Gloves Limited**  
**Notes to the financial statements**  
**30 June 2024**

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

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

*Operating segment information*

|   | Malaysia<br>\$      | Australia<br>\$     | elimination /<br>unallocated<br>\$ | Total<br>\$         |
|---|---------------------|---------------------|------------------------------------|---------------------|
| <b>Consolidated - 30 June 2024</b>                    |                     |                     |                                    |                     |
| <b>Revenue</b>  |                     |                     |                                    |                     |
| Sales to external customers                           | 2,867,812           | -                   | -                                  | 2,867,812           |
| Other revenue   | 275,622             | -                   | -                                  | 275,622             |
| Interest revenue                                      | 666                 | -                   | -                                  | 666                 |
| <b>Total revenue</b>                                  | <b>3,144,100</b>    | <b>-</b>            | <b>-</b>                           | <b>3,144,100</b>    |
| <b>EBITDA*</b>  | (1,910,590)         | (237,138)           | -                                  | (2,147,728)         |
| Depreciation and amortisation                         | (176,171)           | -                   | -                                  | (176,171)           |
| Interest revenue                                      | 666                 | -                   | -                                  | 666                 |
| Finance costs   | (336,593)           | (4)                 | -                                  | (336,597)           |
| <b>Loss before income tax expense</b>                 | <b>(2,422,688)</b>  | <b>(237,142)</b>    | <b>-</b>                           | <b>(2,659,830)</b>  |
| Income tax expense                                    |                     |                     |                                    | -                   |
| <b>Loss after income tax expense</b>                  |                     |                     |                                    | <b>(2,659,830)</b>  |
| <b>Assets</b>   |                     |                     |                                    |                     |
| Segment assets  | 3,516,276           | 8,281               | -                                  | 3,524,557           |
| <b>Total assets</b>                                   |                     |                     |                                    | <b>3,524,557</b>    |
| <b>Liabilities</b>                                    |                     |                     |                                    |                     |
| Segment liabilities                                   | 5,876,937           | 394,602             | -                                  | 6,271,539           |
| <b>Total liabilities</b>                              |                     |                     |                                    | <b>6,271,539</b>    |
| <b>Consolidated - 30 June 2023</b>                    |                     |                     |                                    |                     |
| <b>Revenue</b>  |                     |                     |                                    |                     |
| Sales to external customers                           | 1,743,030           | -                   | -                                  | 1,743,030           |
| Interest revenue                                      | 14                  | 1                   | -                                  | 15                  |
| Net gain on disposal of property, plant and equipment | 1,273,006           | -                   | -                                  | 1,273,006           |
| <b>Total revenue</b>                                  | <b>3,016,050</b>    | <b>1</b>            | <b>-</b>                           | <b>3,016,051</b>    |
| <b>EBITDA*</b>  | (11,909,781)        | (10,463,827)        | 10,216,261                         | (12,157,347)        |
| Depreciation and amortisation                         | (877,144)           | -                   | -                                  | (877,144)           |
| Interest revenue                                      | 15                  | -                   | -                                  | 15                  |
| Finance costs   | (393,165)           | -                   | -                                  | (393,165)           |
| <b>Profit/(loss) before income tax expense</b>        | <b>(13,180,075)</b> | <b>(10,463,827)</b> | <b>10,216,261</b>                  | <b>(13,427,641)</b> |
| Income tax expense                                    |                     |                     |                                    | (21,598)            |
| <b>Loss after income tax expense</b>                  |                     |                     |                                    | <b>(13,449,239)</b> |
| <b>Assets</b>   |                     |                     |                                    |                     |
| Segment assets  | 7,392,445           | 2,677,097           | (2,675,279)                        | 7,394,263           |
| <b>Total assets</b>                                   |                     |                     |                                    | <b>7,394,263</b>    |
| <b>Liabilities</b>                                    |                     |                     |                                    |                     |
| Segment liabilities                                   | 9,995,039           | 316,963             | (2,675,279)                        | 7,636,723           |
| <b>Total liabilities</b>                              |                     |                     |                                    | <b>7,636,723</b>    |

\* The EBITDA calculation includes an impairment recognised in Malaysia of \$10,543,758.

**Note 3. Revenue**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

|  | <b>Consolidated</b>     |                         |
|--|-------------------------|-------------------------|
|  | <b>30 June 2024</b>     | <b>30 June 2023</b>     |
|  | <b>\$</b>               | <b>\$</b>               |
| <i>Major product lines</i>   |                         |                         |
| Nitrile gloves – VIP Glove Sdn Bhd                                       | -                       | 1,743,030               |
| Trading activity - nitrile gloves sourced from third party manufacturers | 2,867,812               | 1,261,448               |
|  | <u>2,867,812</u>        | <u>3,004,478</u>        |
|  | <u><u>2,867,812</u></u> | <u><u>3,004,478</u></u> |

*Geographical regions*

All revenue is earned by Malaysian subsidiaries, and from operations in Malaysia.

*Information about major customers:*

The consolidated entity had the following major customers with revenues amounting to 10 percent or more of total group revenues:

|             | <b>Consolidated</b> | <b>Consolidated</b> |
|-------------|---------------------|---------------------|
|             | <b>30 June 2024</b> | <b>30 June 2023</b> |
|             | <b>%</b>            | <b>%</b>            |
| Customer #1 | 13%                 | 18%                 |
| Customer #2 | -                   | 14%                 |
| Customer #3 | -                   | 14%                 |
| Customer #4 | -                   | 12%                 |

**Note 4. Trade and other receivables**

|   | <b>Consolidated</b>   |                         |
|---|-----------------------|-------------------------|
|   | <b>30 June 2024</b>   | <b>30 June 2023</b>     |
|   | <b>\$</b>             | <b>\$</b>               |
| <i>Current assets</i>                               |                       |                         |
| Trade receivables                                   | 1,162,640             | 507,894                 |
| Less: Allowance for expected credit losses          | (1,020,143)           | (506,282)               |
|   | <u>142,497</u>        | <u>1,612</u>            |
| Receivable from sale of leasehold land & buildings* | -                     | 2,340,970               |
| Other receivables                                   | -                     | 67,819                  |
|   | <u><u>142,497</u></u> | <u><u>2,410,401</u></u> |

**Note 5. Right-of-use assets**

|                                   | <b>Consolidated</b> |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                   | <b>\$</b>           | <b>\$</b>           |
| <i>Non-current assets</i>         |                     |                     |
| Land and buildings - right-of-use | 654,653             | 654,653             |
| Less: Accumulated depreciation    | (145,151)           | (54,554)            |
| Less: Impairment                  | (509,502)           | -                   |
|                                   | <u>-</u>            | <u>600,099</u>      |

During the year ended 30 June 2023 the Company entered into a sale and leaseback agreement for its leasehold land and buildings. The lease commenced on 1 April 2023 with an initial term was 3 years + 3 years (with 10% annual increment in lease payments) and subject to mutual agreement of both parties, a further term of 3 years + 3 years (with 15% annual increment in lease payments).

The right of use asset was fully impaired during the reporting period, following a review of its recoverable amount.

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                         | Land and buildings - right-of-use | Total     |
|-------------------------|-----------------------------------|-----------|
| <b>Consolidated</b>     | <b>\$</b>                         | <b>\$</b> |
| Balance at 1 July 2022  | -                                 | -         |
| Additions               | 654,653                           | 654,653   |
| Depreciation expense    | (54,554)                          | (54,554)  |
| Balance at 30 June 2023 | 600,099                           | 600,099   |
| Exchange differences    | 22,626                            | 22,626    |
| Impairment of assets    | (509,502)                         | (509,502) |
| Depreciation expense    | (113,223)                         | (113,223) |
| Balance at 30 June 2024 | <u>-</u>                          | <u>-</u>  |

Refer to note 10 'Lease liabilities' for details.

**Note 6. Non-current assets classified as held for sale**

|                       | <b>Consolidated</b> |                     |
|-----------------------|---------------------|---------------------|
|                       | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                       | <b>\$</b>           | <b>\$</b>           |
| <i>Current assets</i> |                     |                     |
| Land and buildings    | <u>2,542,950</u>    | <u>2,563,443</u>    |

On 2 May 2024, KLE Products Sdn Bhd ( a wholly owned subsidiary) entered into a Sale and Purchase Agreement with Messrs Target Precast Industries Sdn Bhd for the disposal of a non-core vacant land measuring 13,203 sq meter for a total cash consideration of RM7,952,313 (approx. AUD \$2.56 million). After net off mortgage redemption, payment of tax and legal fee, the total cash inflow from this exercise is expected to be about \$1.0 million as working capital for the group. The transaction is targeted to complete by early 2025.

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**Note 7. Property, plant and equipment**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$</b>           | <b>\$</b>           |
| <i>Non-current assets</i>      |                     |                     |
| Plant and equipment - at cost  | 13,596,890          | 13,596,890          |
| Less: Accumulated depreciation | (5,506,966)         | (5,506,966)         |
| Less: Impairment               | (8,089,924)         | (8,089,924)         |
|                                | -                   | -                   |
| Motor vehicles - at cost       | 242,645             | 244,601             |
| Less: Accumulated depreciation | (182,704)           | (137,641)           |
|                                | 59,941              | 106,960             |
| Office equipment - at cost     | 136,411             | 133,488             |
| Less: Accumulated depreciation | (91,501)            | (79,492)            |
|                                | 44,910              | 53,996              |
| Leasehold buildings            | 778,585             | 786,601             |
| Less: Accumulated depreciation | (141,740)           | (140,198)           |
| Less: Impairment               | (636,845)           | (509,091)           |
|                                | -                   | 137,312             |
| Capital works in progress      | 1,762,353           | 1,762,353           |
| Less: Impairment               | (1,762,353)         | (1,762,353)         |
|                                | -                   | -                   |
|                                | <u>104,851</u>      | <u>298,268</u>      |

As management considers there to be only one operating segment, the impairment assessment that was performed during the previous year was based on this single cash generating unit (CGU). The leasehold land right of use and leasehold buildings were further assessed during the current reporting period.

**Note 8. Trade and other payables**

|                             | <b>Consolidated</b> |                     |
|-----------------------------|---------------------|---------------------|
|                             | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                             | <b>\$</b>           | <b>\$</b>           |
| <i>Current liabilities</i>  |                     |                     |
| Trade payables              | 2,167,989           | 2,683,275           |
| Other payables and accruals | 1,541,123           | 1,554,981           |
|                             | <u>3,709,112</u>    | <u>4,238,256</u>    |

**Note 9. Other financial liabilities**

|                                    | <b>Consolidated</b>     |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | <b>30 June 2024</b>     | <b>30 June 2023</b>     |
|                                    | <b>\$</b>               | <b>\$</b>               |
| <i>Current liabilities</i>         |                         |                         |
| Term loans                         | 150,841                 | 152,057                 |
| Amounts payable to related parties | 48,476                  | 43,496                  |
| Other loans                        | -                       | 365,547                 |
| Deposit for convertible notes      | -                       | 96,706                  |
|                                    | <u>199,317</u>          | <u>657,806</u>          |
| <i>Non-current liabilities</i>     |                         |                         |
| Term loans                         | <u>1,118,738</u>        | <u>1,254,468</u>        |
|                                    | <u><u>1,318,055</u></u> | <u><u>1,912,274</u></u> |

Refer to for further information on financial risk management.

*Term loan*

The interest-bearing term loan (at BLR 7 + 1.25%) is secured over the Company's leasehold land and buildings, together with joint and several guarantees over the Company and some of its Directors.

*Other loans*

The non-related party unsecured loans remaining at 30 June 2023 were at 0.00% interest with no equity conversion features and during the current reporting period were repaid in full.

*Convertible notes*

On 27 July 2023, as the convertible notes were not issued, the Company refunded the convertible notes plus interest to the noteholder.

**Note 10. Lease liabilities**

|                                | <b>Consolidated</b>   |                         |
|--------------------------------|-----------------------|-------------------------|
|                                | <b>30 June 2024</b>   | <b>30 June 2023</b>     |
|                                | <b>\$</b>             | <b>\$</b>               |
| <i>Current liabilities</i>     |                       |                         |
| Lease liability                | <u>428,257</u>        | <u>406,505</u>          |
| <i>Non-current liabilities</i> |                       |                         |
| Lease liability                | <u>338,529</u>        | <u>772,966</u>          |
|                                | <u><u>766,786</u></u> | <u><u>1,179,471</u></u> |

During the current financial period the Company entered into a sale and leaseback agreement for its leasehold land and buildings. The lease commenced on 1 April 2023 with an initial term was 3 years + 3 years (with 10% annual increment in lease payments) and subject to mutual agreement of both parties, a further term of 3 years + 3 years (with 15% annual increment in lease payments).



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**Note 11. Issued capital**

|                              | <b>Consolidated</b> |                     |
|------------------------------|---------------------|---------------------|
|                              | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                              | <b>Shares</b>       | <b>Shares</b>       |
|                              | <b>\$</b>           | <b>\$</b>           |
| Ordinary shares - fully paid | <u>786,781,435</u>  | <u>786,781,435</u>  |
|                              | <u>21,669,410</u>   | <u>21,669,410</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.

Polls are required for all significant resolutions and under a poll each share held by members present person or by proxy shall have one vote.

*Share buy-back*

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

**Note 12. 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:

| <b>Name</b>          | <b>Principal place of business /<br/>Country of incorporation</b> | <b>Ownership interest</b> |                     |
|----------------------|---|---------------------------|---------------------|
|                      |   | <b>30 June 2024</b>       | <b>30 June 2023</b> |
|                      |   | <b>%</b>                  | <b>%</b>            |
| 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%                   | 100.00%             |

**Note 13. Events after the reporting period**

On 3 May 2024 the Company entered into a Sale and Purchase Agreement for the disposal of a non-core vacant land asset measuring 13,203 sqm for a cash consideration of approximately \$2.65 million (MYR7,952,313). The debt attached to the asset has been redeemed, and the transaction is earmarked for full completion by early-2025.

The Company has started the refurbishment of its plants and machineries since mid-2024 and has resumed manufacturing operations with one (1) production line in operations since January 2025. It plans to increase its production capacity gradually. In line with the increase in orderbooks, and targets to achieve full capacity of with six (6) lines in operations by the third quarter of 2025.

The legal case initiated by the plaintiff since November 2020 is still on-going. The High Court of Malaysia had earlier allowed the Company's striking out application, but the Court of Appeal had allowed the Plaintiff's appeal and therefore the matter has now remitted to Kuala Lumpur High Court. The trial date has been fixed in March 2025. The Company's appointed legal representatives will continue to vigorously defend against the Plaintiff's claim.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 14. Earnings per share**

|                       | <b>Consolidated</b> |                     |
|-----------------------|---------------------|---------------------|
|                       | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                       | <b>\$</b>           | <b>\$</b>           |
| Loss after income tax | <u>(2,659,830)</u>  | <u>(13,449,239)</u> |

Note 14. Earnings per share (continued)

|   | Cents              | Cents              |
|---|--------------------|--------------------|
| Basic loss per share  | (0.338)            | (1.709)            |
| Diluted loss per share  | (0.338)            | (1.709)            |
|   | Number             | Number             |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>786,781,435</u> | <u>786,781,435</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>786,781,435</u> | <u>786,781,435</u> |

There were no outstanding and options and performance rights at the end of the year.