

VIP Gloves Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: VIP Gloves Limited
ABN: 83 057 884 876
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	364.5% to	2,046,877
Loss from ordinary activities after tax	down	84.1% to	(2,038,829)
Loss for the half-year	down	84.1% to	(2,038,829)

Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,038,829 (31 December 2022: \$12,789,781).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.16)</u>	<u>0.04</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Details of associates and joint venture entities

Not applicable.

8. Audit qualification or review

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

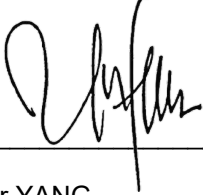
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

9. Attachments

Details of attachments (if any):

The Interim Report of VIP Gloves Limited for the half-year ended 31 December 2023 is attached.

10. Signed

Signed  _____

Chin Kar YANG
Director
Melbourne

Date: 24 December 2024

For persons

VIP Gloves Limited

ABN 83 057 884 876

Interim Report - 31 December 2023

For personal use only

VIP Gloves Limited
Corporate directory
31 December 2023

Directors

Chin Kar Yang - Managing Director
Kay Wen Chen - Executive Director
Alfonso Hin Min 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/- Coote & Associates
C7, 1-3 The Esplanade
MOUNT PLEASANT,
Western Australia 6153

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

Hall Chadwick Melbourne Chartered Accountants
Level 14/440, Collins Street
Melbourne VIC 3000
Australia

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 for trading since 7 February 2023

Website

www.vipglove.com.my

VIP Gloves Limited
Directors' report
31 December 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of VIP Gloves Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Chin Kar YANG - Managing Director

Kay Wen CHEN - Executive Director

Alfonso Hin Min CHU - Non-Executive Director, Independent (*appointed 1 August 2023*)

Gang ZHOU - Non-Executive Director, Independent (*appointed 1 August 2023*)

Hui ZHOU - Non-Executive Director, Independent (*appointed 1 August 2023*)

Dividends

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

Review of operations

The revenue recorded during the half year period ended 31 December 2023 was \$2,046,208 (31 December 2022: \$440,676).

The increase was due to improvement in trading activities for glove products which saw an increase due to resumption in demand and more aggressive sales efforts.

The consolidated loss after income tax was lower at \$2,038,829 (31 December 2022: \$12,789,781) due mainly to the absence of asset impairments totalling \$9,927,635 during the previous correspondent period.

Despite the increase in revenue, Trade and Other Receivables has dropped to \$298,106 (31 December 2022: \$2,410,401) as the company adopted more stringent control in sales collections. At the same time, Trade and Other Payables have also reduced to \$3,304,100 (31 December 2022: \$4,238,256) as the company made more prompt payments to its raw material suppliers.

VIP has decided not to resume manufacturing operations during the July - December 2023 period. Management was monitoring the glove market closely, and will only resume manufacturing operations once it has more certainly of the sustainable demand and better prices. In the meantime, was engaging actively in trading activities of nitrile gloves, via sourcing of nitrile gloves from other suppliers to fulfil its orders. This business model, whilst is a short term measure, has allowed better control over its operating and non-operating expenses.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

Subsequent to the end of the current reporting period, Dr Kai Fatt WONG resigned from the board on 23 February 2024. Mr Mark William MAINE was appointed as Company Secretary with effect from 28 February 2024.

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.

No other matter or circumstance has arisen since 31 December 2023 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

VIP Gloves Limited
Directors' report
31 December 2023

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

On behalf of the Directors



Chin Kar YANG
Director

24 December 2024

For personal use

**VIP GLOVES LIMITED
ABN 83 057 884 876**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF VIP GLOVES LIMITED**

As lead auditor for the review of VIP Gloves Limited and Controlled Entities for the half-year ended 31 December 2023, I declare that, the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**Anh (Steven) Nguyen
Director**

Date: 24 December 2024

Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000

VIP Gloves Limited

Contents

31 December 2023

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of VIP Gloves Limited	19

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 half-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,
Western Australia 6153

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 23 December 2024.

VIP Gloves Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 23 \$	31 Dec 22 \$
Revenue			
Revenue	3	2,046,208	440,676
Cost of goods sold		<u>(1,966,691)</u>	<u>(2,081,619)</u>
Gross profit/(loss)		<u>79,517</u>	<u>(1,640,943)</u>
Other income		-	28,571
Interest revenue		669	-
Expenses			
Employee benefits expense		(316,321)	(494,966)
Depreciation and amortisation expense		(145,041)	(81,835)
Impairment of assets		(647,857)	(9,927,635)
Writeback / (impairment) of inventory		-	78,763
Legal and professional fees		(89,848)	(265,179)
Foreign exchange losses		-	(4,513)
Movement in provision for expected credit losses		(533,932)	(43,523)
Administration expenses		(194,395)	(353,532)
Finance costs		(191,621)	(84,989)
Total expenses		<u>(2,119,015)</u>	<u>(11,177,409)</u>
Loss before income tax expense		(2,038,829)	(12,789,781)
Income tax expense		-	-
Loss after income tax expense for the half-year		(2,038,829)	(12,789,781)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>68,838</u>	<u>13,319</u>
Other comprehensive income for the half-year, net of tax		<u>68,838</u>	<u>13,319</u>
Total comprehensive income for the half-year		<u><u>(1,969,991)</u></u>	<u><u>(12,776,462)</u></u>
		Cents	Cents
Basic loss per share	15	(0.26)	(1.63)
Diluted loss per share	15	(0.26)	(1.63)

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 31 December 2023

		Consolidated	
	Note	31 Dec 23	30 Jun 23
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		228,005	452,891
Trade and other receivables	4	298,106	2,410,401
Security deposits		676,832	704,856
Income tax refund due		-	149,615
Prepayments		36,029	214,690
		<u>1,238,972</u>	<u>3,932,453</u>
Non-current assets classified as held for sale	6	2,531,294	2,563,443
Total current assets		<u>3,770,266</u>	<u>6,495,896</u>
Non-current assets			
Property, plant and equipment	7	129,674	298,268
Right-of-use assets	5	-	600,099
Total non-current assets		<u>129,674</u>	<u>898,367</u>
Total assets		<u>3,899,940</u>	<u>7,394,263</u>
Liabilities			
Current liabilities			
Trade and other payables	8	3,304,100	4,238,256
Contract liabilities		302,876	306,722
Financial liabilities	9	202,239	657,806
Lease liabilities		413,663	406,505
Income tax		172,522	-
Total current liabilities		<u>4,395,400</u>	<u>5,609,289</u>
Non-current liabilities			
Financial liabilities	9	1,163,661	1,254,468
Lease liabilities		553,330	772,966
Total non-current liabilities		<u>1,716,991</u>	<u>2,027,434</u>
Total liabilities		<u>6,112,391</u>	<u>7,636,723</u>
Net liabilities		<u>(2,212,451)</u>	<u>(242,460)</u>
Equity			
Issued capital	10	21,669,410	21,669,410
Reserves		(1,020,887)	(1,089,725)
Accumulated losses		<u>(22,860,974)</u>	<u>(20,822,145)</u>
Total deficiency in equity		<u>(2,212,451)</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 half-year ended 31 December 2023

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 half-year	-	-	-	(12,789,781)	(12,789,781)
Other comprehensive income for the half-year, net of tax	-	-	13,319	-	13,319
Total comprehensive income for the half-year	-	-	13,319	(12,789,781)	(12,776,462)
Balance at 31 December 2022	<u>21,669,410</u>	<u>4,365,765</u>	<u>(1,112,232)</u>	<u>(24,528,452)</u>	<u>394,491</u>

Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	21,669,410	-	(1,089,725)	(20,822,145)	(242,460)
Loss after income tax expense for the half-year	-	-	-	(2,038,829)	(2,038,829)
Other comprehensive income for the half-year, net of tax	-	-	68,838	-	68,838
Total comprehensive income for the half-year	-	-	68,838	(2,038,829)	(1,969,991)
Balance at 31 December 2023	<u>21,669,410</u>	<u>-</u>	<u>(1,020,887)</u>	<u>(22,860,974)</u>	<u>(2,212,451)</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 half-year ended 31 December 2023

	Note	Consolidated	
		31 Dec 23	31 Dec 22
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,279,755	191,877
Payments to suppliers and employees		<u>(3,262,843)</u>	<u>(1,834,423)</u>
		(1,983,088)	(1,642,546)
Interest received		669	-
Interest and other finance costs paid		(191,621)	(450,675)
Income taxes refunded		<u>322,137</u>	<u>1,092,868</u>
Net cash used in operating activities		<u>(1,851,903)</u>	<u>(1,000,353)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	7	-	(3,444)
Proceeds from sale and leaseback transaction		<u>2,386,207</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>2,386,207</u>	<u>(3,444)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	1,097,376
Repayment of borrowings		(458,261)	(77,724)
Repayment of lease liabilities		(204,064)	-
Convertible notes deposit refunded		(96,706)	-
Proceeds from / (repayment) of borrowings from related parties		<u>8,593</u>	<u>(852)</u>
Net cash from/(used in) financing activities		<u>(750,438)</u>	<u>1,018,800</u>
Net increase/(decrease) in cash and cash equivalents		(216,134)	15,003
Cash and cash equivalents at the beginning of the financial half-year		452,891	15,884
Effects of exchange rate changes on cash and cash equivalents		<u>(8,752)</u>	<u>461</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>228,005</u></u>	<u><u>31,348</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 and if adopted, there was, and is expected to be, no material impact on these financial statements.

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.

As disclosed in the financial statements, for the half year ended 31 December 2023, the consolidated entity made a loss of \$2,038,829 and had net cash outflows from operating activities of \$1,851,903. As at that date, the consolidated entity had net current liabilities of \$625,134.

These conditions above indicate that a material uncertainty exists that may cast significant doubt about the 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;
- 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.

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 (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

VIP Gloves Limited
Notes to the financial statements
31 December 2023

Note 2. 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.

Operating segment information

Consolidated - 31 Dec 23	Malaysia \$	Australia \$	Intersegment eliminations / unallocated \$	Total \$
Revenue				
Sales to external customers	2,046,208	-	-	2,046,208
Interest revenue	669	-	-	669
Total revenue	<u>2,046,877</u>	<u>-</u>	<u>-</u>	<u>2,046,877</u>
EBITDA	(1,571,991)	(130,845)	-	(1,702,836)
Depreciation and amortisation	(145,041)	-	-	(145,041)
Interest revenue	669	-	-	669
Finance costs	(191,621)	-	-	(191,621)
Loss before income tax expense	<u>(1,907,984)</u>	<u>(130,845)</u>	<u>-</u>	<u>(2,038,829)</u>
Income tax expense				-
Loss after income tax expense				<u>(2,038,829)</u>
Assets				
Segment assets	3,894,064	5,876	-	3,899,940
Total assets				<u>3,899,940</u>
Liabilities				
Segment liabilities	5,749,864	362,527	-	6,112,391
Total liabilities				<u>6,112,391</u>

VIP Gloves Limited
Notes to the financial statements
31 December 2023

Note 2. Operating segments (continued)

	Malaysia \$	Australia \$	Intersegment eliminations / unallocated \$	Total \$
Consolidated - 31 Dec 22				
Revenue				
Sales to external customers	440,676	-	-	440,676
Total revenue	<u>440,676</u>	<u>-</u>	<u>-</u>	<u>440,676</u>
EBITDA				
Depreciation and amortisation	(765,902)	-	-	(765,902)
Finance costs	-	-	(84,989)	(84,989)
Loss before income tax expense	<u>(12,576,655)</u>	<u>(128,137)</u>	<u>(84,989)</u>	<u>(12,789,781)</u>
Income tax expense				-
Loss after income tax expense				<u>(12,789,781)</u>
Consolidated - 30 Jun 23				
Assets				
Segment assets	7,392,445	2,677,097	(2,675,279)	7,394,263
Total assets				<u>7,394,263</u>
Liabilities				
Segment liabilities	9,995,039	316,963	(2,675,279)	7,636,723
Total liabilities				<u>7,636,723</u>

Note 3. Revenue

Disaggregation of revenue

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

	Consolidated	
	31 Dec 23	31 Dec 22
	\$	\$
<i>Major product lines</i>		
Trading - non-manufactured goods	2,046,208	-
Nitrile gloves – VIP Glove Sdn Bhd	-	440,676
	<u>2,046,208</u>	<u>440,676</u>

Geographical regions

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

Information about major customers

VIP Gloves Limited
Notes to the financial statements
31 December 2023

Note 3. Revenue (continued)

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

	Consolidated	
	31 Dec 23	31 Dec 22
	%	%
Customer #1	13%	-
Customer #2	-	25%
Customer #3	-	22%
Customer #4	-	12%

Note 4. Trade and other receivables

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<i>Current assets</i>		
Trade receivables	1,315,279	507,894
Less: Allowance for expected credit losses and impairment	(1,017,173)	(506,282)
	<u>298,106</u>	<u>1,612</u>
Sale and leaseback receivable	-	2,340,970
Other receivables	-	67,819
	<u>298,106</u>	<u>2,410,401</u>

Note 5. Right-of-use assets

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<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).

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

VIP Gloves Limited
Notes to the financial statements
31 December 2023

Note 5. Right-of-use assets (continued)

Reconciliations

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

Consolidated	Land and buildings \$	Total \$
Balance at 1 July 2023	600,099	600,099
Exchange differences	22,626	22,626
Impairment	(509,502)	(509,502)
Depreciation expense	(113,223)	(113,223)
	<u> </u>	<u> </u>
Balance at 31 December 2023	<u> - </u>	<u> - </u>

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

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<i>Current assets</i>		
Land and buildings	<u>2,531,294</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.

Refer to note 14 'Events after the reporting period'.

VIP Gloves Limited
Notes to the financial statements
31 December 2023

Note 7. Property, plant and equipment

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<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)
	<u>-</u>	<u>-</u>
Motor vehicles - at cost	241,533	244,601
Less: Accumulated depreciation	(158,890)	(137,641)
	<u>82,643</u>	<u>106,960</u>
Office equipment - at cost	131,814	133,488
Less: Accumulated depreciation	(84,783)	(79,492)
	<u>47,031</u>	<u>53,996</u>
Leasehold buildings	776,736	786,601
Less: Accumulated depreciation	(140,000)	(140,198)
Less: Impairment	(636,736)	(509,091)
	<u>-</u>	<u>137,312</u>
Capital works in progress	1,762,353	1,762,353
Less: Impairment	(1,762,353)	(1,762,353)
	<u>-</u>	<u>-</u>
	<u>129,674</u>	<u>298,268</u>

Reconciliations

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

Consolidated	Plant and equipment \$	Motor vehicles \$	Office equipment \$	Leasehold buildings \$	Total \$
Balance at 1 July 2023	-	106,960	53,996	137,312	298,268
Exchange differences	-	(600)	(475)	2,654	1,579
Impairment of assets	-	-	-	(138,355)	(138,355)
Depreciation expense	-	(23,717)	(6,490)	(1,611)	(31,818)
Balance at 31 December 2023	<u>-</u>	<u>82,643</u>	<u>47,031</u>	<u>-</u>	<u>129,674</u>

Note 8. Trade and other payables

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<i>Current liabilities</i>		
Trade payables	2,143,062	2,683,275
Other payables and accruals	1,161,038	1,554,981
	<u>3,304,100</u>	<u>4,238,256</u>

Note 9. Financial liabilities

	Consolidated	
	31 Dec 23	30 Jun 23
	\$	\$
<i>Current liabilities</i>		
Term Loans	150,150	152,057
Amounts payable to related parties	52,089	43,496
Other loans	-	365,547
Convertible notes payable	-	96,706
	<u>202,239</u>	<u>657,806</u>
<i>Non-current liabilities</i>		
Term loans	<u>1,163,661</u>	<u>1,254,468</u>
	<u><u>1,365,900</u></u>	<u><u>1,912,274</u></u>

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.

Convertible notes

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

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..

Note 10. Issued capital

	Consolidated			
	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23
	Shares	Shares	\$	\$
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.

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.

Note 11. Dividends

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

Note 12. Contingent liabilities

In November 2020, VIP received a Writ of Summons, served in Malaysia, from ACE Solutions Investments Ltd (Plaintiff), a BVI registered company, alleging that the Company has denied the Plaintiff the right to receive a placement of 74.5 million shares in the Company at a price of \$0.04 per share on the basis of wrongful and unlawful breach of a purported agreement between the Plaintiff and Company representatives.

On 25 October 2021 the Company was successful in its application to strikeout the action and on 26 November 2021 the Company announced that the Plaintiff had lodged an appeal. However the Court of Appeal had allowed the Plaintiff's appeal and therefore the matter has now been remitted to the High Court for trial scheduled in April 2025.

It is not practicable to provide an estimate of the financial effect of the legal action as it cannot be predicted given the level of uncertainty.

With the advice of VIP's lawyers, VIP intends to vigorously defend the matter on the grounds that the Plaintiff's claim is without reasonable cause of action; frivolous and vexatious; and an abuse of Court process.

Note 13. Commitments

Committed capital expenditure at 31 December 2023 is \$NIL (June 2023: \$NIL).

Planned capital expenditure not yet committed at 31 December 2023 is \$NIL (June 2023: \$NIL).

Note 14. Events after the reporting period

Subsequent to the end of the current reporting period, Dr Kai Fatt WONG resigned from the board on 23 February 2024. Mr Mark William MAINE was appointed as Company Secretary with effect from 28 February 2024.

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.

No other matter or circumstance has arisen since 31 December 2023 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 15. Earnings per share

	Consolidated	
	31 Dec 23	31 Dec 22
	\$	\$
Loss after income tax	<u>(2,038,829)</u>	<u>(12,789,781)</u>
	Cents	Cents
Basic loss per share	(0.26)	(1.63)
Diluted loss per share	(0.26)	(1.63)
	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>

VIP Gloves Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Chin Kar YANG
Director

24 December 2024

VIP GLOVES LIMITED
ABN 83 057 884 876

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF VIP GLOVES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of VIP Gloves Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirement of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be the same terms if given to the Directors as at the time of this Auditor's Review Report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Group incurred a loss of \$2,038,829 and negative operating cash flows of \$1,851,903 during the half-year ended 31 December 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for:

- a) the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- b) such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended as at that date; and complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000



Director: Anh (Steven) Nguyen

Date: 24 December 2024