



VIP GLOVES LIMITED

ABN 83 057 884 876

7th February 2023

ASX Markets Announcements Platform

Correction to December 2022 Appendix 4C

VIP Gloves Limited (ASX Code: VIP) (“VIP Gloves” or “the Company”) advise that upon review, a calculation error was found at Item 8 of the cash flow report ‘Estimated cash available for future operating activities’.

The correct figure for the estimated quarters of funding available should be negative 0.067 as opposed to negative 0.93.

ASX requested that VIP make a correction announcement disclosing and correcting the above miscalculation.

The amended December 2022 Appendix 4C is attached.

Andrew Metcalfe
Company Secretary
andrew@accosec.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

VIP GLOVES LIMITED

ABN

83 057 884 876

Quarter ended ("current quarter")

DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	133	192
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(347)	(1,045)
(c) advertising and marketing	-	-
(d) leased assets	-	(1)
(e) staff costs	(180)	(389)
(f) administration and corporate costs	(103)	(399)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(320)	(451)
1.6 Income taxes refunded (progressive tax refund for the financial year ended 30 June 2021)	323	1,093
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(494)	(1,000)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(3)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (refund of proceeds from disposal of property, plant and equipment)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	526	1,097
3.6	Repayment of borrowings	(39)	(78)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (director's advances)	3	(1)
3.10	Net cash from / (used in) financing activities	490	1,018

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	40	17
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(494)	(1,000)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	490	1,018
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	Cash and cash equivalents at end of period	33	33

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	33	40
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33	40

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
91
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,538	1,538
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)		
- third party	669	669
- shareholder	278	278
- related party	167	167
7.4 Total financing facilities	2,652	2,652

7.5 Unused financing facilities available at quarter end

Nil

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Term loan (secured) – Al Rajhi Bank 1.25% above the bank's BLR (A\$1.538m) – maturing September 2025

BLR – Base lending rate

The credit facilities are secured by way of:

1. Legal charge over a subsidiary, KLE Products Sdn. Bhd.'s vacant leasehold land;
2. Debenture over fixed and floating assets of a subsidiary, VIP Glove Sdn. Bhd., present and future;
3. Jointly and severally guaranteed by Directors of subsidiary companies; and Jointly and severally guaranteed by VIP Gloves Limited and a subsidiary, KLE Products Sdn. Bhd

Third party unsecured loan (A\$0.669m) – 10% per month – maturing monthly, renewable
Shareholder unsecured loan (A\$0.278m) – 10% per month - maturing monthly, renewable
Related party unsecured loan (A\$0.167m) – 10% per month - maturing monthly, renewable

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(494)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	33
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	(461)
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	(0.067)
8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	

Net operating cashflows have been impacted by a lower average selling price for normal 3.5gm nitrile gloves across the glove manufacturing industry in Malaysia. The company has ceased manufacturing operations, reduced staff and undertaken further cost reductions.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The company is in regular discussion with its bank to establish a line of credit; It has received a letter of support from a major shareholder who, with third party lenders, continue to fund the company's operations . The company is also investigating the sale of land and buildings and vacant land adjoining the factory site.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, with the steps instigated by the company in point 1 + 2 above, the company is still able to meet its commitments whilst it investigates new opportunities..

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

This Appendix 4C cashflow report has been approved by the board of VIP Gloves Limited

Date: 25 January 2023

Authorised by: The Board of VIP Gloves Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.