



25 October 2024

Company Announcements Office
ASX Limited
Sydney, NSW
Australia.

QUARTERLY REPORT – SEPTEMBER 2023

VIP Gloves Limited ('VIP' or the 'Company') presents its operation and activity update along with the attached Appendix 4C cash flow statement for the quarter ended 30 September 2023 :

Operations during the September 2023 quarter

Trading revenue during the quarter under review rose marginally to A\$1.358M compared to A\$1.271M during Q4 of FY2023 (April – June 2023) as average selling prices (ASP) remained stable.

Starting July 2023, the Company outsourced its packing and transportation activities to third party contractors. Although it resulted in additional expenses of A\$38K during the quarter, it avoided certain fixed overheads. This cost control effort has resulted in lower overall direct operating costs of A\$266K vis-à-vis A\$332K incurred during the preceding quarter. At the same time, depreciation expense has also reduced from A\$16K to A\$15K due to the disposal of its fixed assets during FY2023.

With more aggressive trading activities, the company extended credit terms to selected long-term customers, as reflecting in the increase of trade receivables to A\$1.407M, from A\$206K as at June 2023. With the completion of the disposal of fixed assets, the Company has fully repaid loan of A\$374K.

Prospects

The Company is watching the demand situation and prevailing ASP closely to ascertain a suitable moment to resume manufacturing operations. In the meantime, it will continue carrying out its trading activities of nitrile gloves in the near term.

The release of this announcement was authorised by Mr Chin Kar (Jimmy) YANG on behalf of the Board of VIP.

Mark Maine
Company Secretary

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")

SEPTEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	471	471
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,944)	(1,944)
(c) advertising and marketing	-	-
(d) leased assets	(119)	(119)
(e) staff costs	(161)	(161)
(f) administration and corporate costs	(308)	(308)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(41)	(41)
1.6 Income taxes refunded (progressive tax refund for the financial year ended 30 June 2021)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,101)	(2,101)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	2,396	2,396
	(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	2,396	2,396

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Redemption of convertible debt securities	(99)	(99)
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	-	-
3.6	Repayment of borrowings	(413)	(413)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (director's advances for working capital purposes)	11	11
3.10	Net cash from / (used in) financing activities	(501)	(501)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	455	455
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,101)	(2,101)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,396	2,396
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(501)	(501)
4.5	Effect of movement in exchange rates on cash held	10	10
4.6	Cash and cash equivalents at end of period	259	259

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	259	455
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)	259	455

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 (Executive and non-executive Director salaries)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
66
-

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	1,402	1,402
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) - third party	-	-
7.4 Total financing facilities	1,402	1,402

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\$1.402m) – 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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,101)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	259
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	259
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	(8.11)

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?

No - The Group has ceased all glove manufacturing operations and has reduced its workforce. In the meantime, the Group is continuing its trading activities of nitrile glove products. Future receipts and payments relate to collection of glove trading sales, balance proceed from disposal of factory land and building, payment of outstanding creditors, and payroll expenses as the company actively seeks new opportunities. Third party loans and an inflow of funds from the sale of land and buildings will enable the company to meet outstanding creditors and provide working capital for ongoing operations.

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 has received a letter of support from a major shareholder who continues to fund the company's operations. The company has also secured the sale 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 October 2024

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.