



16 January 2025

Company Announcements Office
ASX Limited
Sydney, NSW
Australia.

QUARTERLY REPORT – SEPTEMBER 2024

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 2024:

Operations during the September 2024 quarter

This quarter has recorded total receipt from customers for trading business of \$0.99 million. After netting off operating expenses, it generated a modest net operating cash of \$0.04 million. While the Company's manufacturing activities remained suspended during the period, a management review, supported by the Board, has identified an improvement in market conditions. Consequently, the Company commenced preliminary work to position the Company for a recommencement of manufacturing in the near term, refer below "Prospects".

Disposal of fixed assets

The disposal of a vacant land under a Sales and Purchase Agreement executed on 2 May 2024 has progressed smoothly. The transaction is projected to complete by early 2025, which will see a net inflow of approximately RM3 million (approx. \$1.05 million) in final proceeds (net of bank redemption, legal fees, real property gain tax and other incidental expenses). This sum of money will provide working capital to support the recommencement of manufacturing operations.

Legal action update

The legal action brought against the company since 2020 remained on-going, with the trial date at the Kuala Lumpur High Court being postponed from the original date in December 2024 to March 2025 at the request of the Plaintiff. The Company will vigorously defend against the claim if brought forth by the Plaintiff.

Prospects

The Management has started preparation work for the resumption of manufacturing activities with the initial target of starting one single former line by the end of 2024. The plan is to progressively run all six lines by the third quarter of 2025 or earlier, depending on the level of demand for the Company's nitrile glove products.

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 2024

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	993	993
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(775)	(775)
(c) advertising and marketing	-	-
(d) leased assets	(121)	(121)
(e) staff costs reversal	72	72
(f) administration and corporate costs	(99)	(99)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(31)	(131)
1.6 Income taxes refunded (real property gain tax refund)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	39	39
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Redemption 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	-	-
3.6	Repayment of borrowings	(39)	(39)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (director's advances for working capital purposes)	1	1
3.10	Net cash from / (used in) financing activities	(38)	(38)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25	25
4.2	Net cash from / (used in) operating activities (item 1.9 above)	39	39
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(38)	(38)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	28	28

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	28	25
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)	28	25

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

- 6.1 Aggregate amount of payments/(advances) 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
60
-

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	1,326	1,326
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)		
- third party	-	-
7.4 Total financing facilities	1,326	1,326

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\$1.326m) – 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)	39
8.2 Cash and cash equivalents at quarter end (Item 4.6)	28
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	28
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	-

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?

While the ratio in item 8.5 is not less than two quarters the following information is provided given the low cash position. The Group ceased all glove manufacturing operations and has reduced its workforce. The Group is continuing its trading activities of nitrile glove products. Future receipts and payments relate to collection of glove trading sales,, trade payments and payments of outstanding creditors, and payroll expenses. Third party financial support and support from creditors 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 provide financial support to fund the company's operations. The company has also secured the sale vacant land adjoining the factory site to be settled in the back half of the 2024 calendar year.

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 and 2 above, the company is still able to meet its commitments.

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: 16 January 2025

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.