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 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	251.4%	to	48,123,312
Profit from ordinary activities after tax	up	3986.5%	to	4,742,583
Profit for the year	up	3986.5%	to	4,742,583

Comments
The profit for the consolidated entity after providing for income tax amounted to $4,742,583 (30 June 2020: $116,056) whilst the consolidated profit before depreciation and amortisation, finance costs, share-based payments and income tax expense amounted to $16,793,308 (30 June 2020: 324,767).

During the year, a share-based payment expense of $7,544,044 was recorded for the issue of options and performance rights (2020: nil).

The profit has been attributable to increased production capacity and strong demand for product resulting in an increased average selling price for nitrile gloves during the reporting period and forward sales contracts to December 2021.

During the reporting period, the company commissioned two new glove production lines bringing total production lines to 6 and increasing annual production to 744 million pieces. Work also commenced on the installation of a further 4 production lines which will increase production capacity to 936 million pieces per annum.

During the reporting period, VIP obtained the prestigious European Union CE-Mark Standard accreditation and US FDA 510(k) accreditation which provides the potential to deliver nitrile gloves to additional lucrative markets in Europe and North America.

The Company entered into a Deed of Revocation of the Sale and Purchase Agreement (SPA) to mutually rescind, revoke and terminate the SPA with effect from 17 February 2021. Of the total funds received amounting to $2.9 million, the Company has repaid $1.6 million to the purchaser of land and buildings during the reporting period. By terminating the SPA, the Company retains full control and security over the land and buildings.

During the reporting period, the Company repaid in excess of $1.2m of interest-bearing debt.

During the reporting period, the Company issued:

- 38m options (exercise price $0.045, exercise date 23 October 2023) to Directors and KMP; and
- 80m performance rights for nil value that expire on 31 October 2023, to Directors and KMP's that vest on achieving key milestones.
- 225,000 options were converted during the reporting period,

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.51	1.29

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2021 paid during the current financial year	0.180	-
The Company declared a final dividend for the year ended 30 June 2021	0.050	-

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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

---

11. Attachments

Details of attachments (if any):

The unaudited Appendix 4E Financial Statements of VIP Gloves Limited for the year ended 30 June 2021 is attached.

---

12. Waiver Relief Extension

Pursuant to ASX listing rule 4.2B, the Company lodges its Appendix 4E unaudited preliminary financial reports for the financial reporting period ending 30 June 2021.

Pursuant to the *ASIC Corporations (Amendment) Instrument 2021/315* dated 26 April 2021 (the 'Amended ASIC Relief'), the Company is relying upon the one-month lodgement date extension for listed and unlisted entities required to lodge financial reports under section 320 of the Corporations Act 2001 where the entity's financial year-end is between 23 June 2021 and 7 July 2021(inclusive).

The Company will immediately make a further announcement to the market if it becomes aware that there will be a material difference between its unaudited accounts and its audited accounts

13. Signed

Signed ______________________________ Date: 30 August 2021

Dr Kai Fatt (Joe) Wong
Chairman

VIP Gloves Limited

ABN 83 057 884 876

Appendix 4E Financial Statements - 30 June 2021

VIP Gloves Limited
Corporate directory
30 June 2021

Directors	Dr Kai Fatt (Joe) Wong - Independent Non-executive Chairman Chin Kar Yang – Managing Director Kay Wen Chen - Executive Director How Weng Chang – Independent Non-Executive Director Chee Cheong Low – Independent Non-Executive Director Peter Yee Ming Ng – Independent Non-Executive Director
Company secretary	Andrew Metcalfe
Registered office	C/- Accosec & Associates Level 26 360 Collins Street Melbourne VIC 3000 Australia
Principal place of business	No. 17 Jalan Perusahaan 1, Kawasan Perusahaan, Beranang 43700 Beranang, Selangor Darul Ehsan Malaysia
Share register	Boardroom Limited Level 7, 207 Kent Street Sydney NSW 2000 Investor phone number: (Australia) 1300 737 760 Investor phone number: (Overseas) +61 (0) 2 9290 9600
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
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)
Website	www.vipglove.com.my

VIP Gloves Limited
Contents
30 June 2021

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/- Accosec & Associates
Level 26
360 Collins Street
Melbourne VIC 3000
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 30 August 2021. 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 2021

	Note	Consolidated 30 June 2021 $	30 June 2020 $
Revenue			
Revenue		48,123,312	13,696,465
Cost of goods sold		(28,958,206)	(11,488,623)
Gross profit		19,165,106	2,207,842
Other income	4	57,751	46,035
Interest revenue		367	8,859
Expenses			
Employee benefits expense		(1,348,470)	(956,818)
Impairment of inventory	5	-	290,721
Legal and professional fees		(309,339)	(223,554)
Commissions		(146,075)	-
Foreign exchange losses		-	(12,419)
Movement in provision for expected credit losses	5	(83,864)	(5,685)
Administration expenses		(542,168)	(1,030,214)
Total expenses		(2,429,916)	(1,937,969)
Profit before depreciation and amortisation, finance costs, share-based payments and income tax expense		16,793,308	324,767
Depreciation and amortisation expense	5	(145,556)	(93,219)
Equity performance expense	5	(7,544,044)	-
Finance costs	5	(208,089)	(511,128)
Profit/(loss) before income tax (expense)/benefit		8,895,619	(279,580)
Income tax (expense)/benefit		(4,153,036)	395,636
Profit after income tax (expense)/benefit for the year		4,742,583	116,056
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(865,492)	(301,540)
Other comprehensive income for the year, net of tax		(865,492)	(301,540)
Total comprehensive income for the year		3,877,091	(185,484)
		Cents	**Cents**
Basic earnings per share	18	0.63	0.02
Diluted earnings per share	18	0.60	0.02

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 2021

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	1,691,921	2,052,895
Trade and other receivables	7	785,858	467,032
Inventories	8	5,949,363	665,441
Term deposits		792,878	505,681
Prepayments		103,834	174,644
		9,323,854	3,865,693
Non-current assets classified as held for sale	9	-	3,093,719
Total current assets		9,323,854	6,959,412
Non-current assets			
Property, plant and equipment	10	17,777,117	13,361,930
Deferred tax		-	380,268
Total non-current assets		17,777,117	13,742,198
Total assets		27,100,971	20,701,610
Liabilities			
Current liabilities			
Trade and other payables	11	3,120,410	3,232,443
Contract liabilities		157,601	2,716,201
Financial liabilities	12	1,532,741	3,837,633
Income tax		525,482	169,480
Bank overdraft	6	-	1,092,677
Total current liabilities		5,336,234	11,048,434
Non-current liabilities			
Financial liabilities	13	1,548,796	-
Deferred tax		500,131	-
Total non-current liabilities		2,048,927	-
Total liabilities		7,385,161	11,048,434
Net assets		19,715,810	9,653,176
Equity			
Issued capital	14	18,365,346	18,556,098
Reserves		5,911,540	(767,012)
Accumulated losses		(4,561,076)	(8,135,910)
Total equity		19,715,810	9,653,176

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 2021

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	14,920,799	-	(465,472)	(8,251,966)	6,203,361
Profit after income tax benefit for the year	-	-	-	116,056	116,056
Other comprehensive income for the year, net of tax	-	-	(301,540)	-	(301,540)
Total comprehensive income for the year	-	-	(301,540)	116,056	(185,484)
Issue of shares	3,692,303	-	-	-	3,692,303
Capital raising costs	(57,004)	-	-	-	(57,004)
Balance at 30 June 2020	18,556,098	-	(767,012)	(8,135,910)	9,653,176

Consolidated	Issued capital $	Share-based payments reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2020	18,556,098	-	(767,012)	(8,135,910)	9,653,176
Profit after income tax expense for the year	-	-	-	4,742,583	4,742,583
Other comprehensive income for the year, net of tax	-	-	(865,492)	-	(865,492)
Total comprehensive income for the year	-	-	(865,492)	4,742,583	3,877,091
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 14)	10,125	-	-	-	10,125
Capital raising costs relating to prior reporting period	(200,877)	-	-	-	(200,877)
Vesting of Share-based payments	-	7,544,044	-	-	7,544,044
Dividends paid (note 16)	-	-	-	(1,167,749)	(1,167,749)
Balance at 30 June 2021	18,365,346	7,544,044	(1,632,504)	(4,561,076)	19,715,810

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 2021

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Cash flows from operating activities			
Receipts from customers		45,194,000	17,488,064
Payments to suppliers and employees		(35,805,000)	(15,573,028)
		9,389,000	1,915,036
Interest received		1,272	8,859
Proceeds from grants		-	30,422
Interest and other finance costs paid		(217,000)	(583,309)
Income taxes paid		(2,913,000)	-
Net cash from operating activities		6,260,272	1,371,008
Cash flows from investing activities			
Payments for property, plant and equipment	10	(3,578,000)	(2,269,957)
Payments for term deposits		-	(197,773)
Deposit received for sale and leaseback transaction		2,332,483	612,787
Refund of deposit received for sale and leaseback transaction		(1,631,925)	-
Proceeds from disposal of property, plant and equipment		-	62,610
Net cash used in investing activities		(2,877,442)	(1,792,333)
Cash flows from financing activities			
Proceeds from issue of shares	14	-	3,135,539
Proceeds from exercise of options		10,125	-
Share issue transaction costs	14	(200,877)	(57,004)
Dividends paid	16	(1,167,749)	-
Repayment of borrowings		-	(465,895)
Proceeds from / (repayment) of borrowings from related parties		(236,836)	-
Proceeds from / (repayment) of term loan		(791,289)	-
Repayment of convertible notes		(240,000)	-
Net cash from/(used in) financing activities		(2,626,626)	2,612,640
Net increase in cash and cash equivalents		756,204	2,191,315
Cash and cash equivalents at the beginning of the financial year		960,218	(1,178,182)
Effects of exchange rate changes on cash and cash equivalents		(24,501)	(52,915)
Cash and cash equivalents at the end of the financial year	6	1,691,921	960,218

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

Note 1. Significant accounting policies

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.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of VIP Gloves Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. VIP Gloves Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is VIP Gloves Limited’s functional and presentation currency. The functional currency of KLE Products Sdn Bhd and VIP Glove Sdn Bhd is Malaysian Ringgit.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Due to the strong prospectivity of revenue performance from glove manufacturing operations, the consolidated entity recognises that its tax losses will be utilised in the future.

Note 3. 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.

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

Consolidated - 30 June 2021	Malaysia $	Australia $	elimination / unallocated $	Total $
Revenue				
Sales to external customers	48,123,312	-	-	48,123,312
Interest revenue	366	-	1	367
Total revenue	48,123,678	-	1	48,123,679
EBITDA	12,326,789	(1,969,182)	-	10,357,607
Depreciation and amortisation	(1,254,266)	-	-	(1,254,266)
Interest revenue	366	-	1	367
Finance costs	-	-	(208,089)	(208,089)
Profit/(loss) before income tax expense	11,072,889	(1,969,182)	(208,088)	8,895,619
Income tax expense				(4,153,036)
Profit after income tax expense				4,742,583
Assets				
Segment assets	27,047,730	13,659,657	(13,606,416)	27,100,971
Total assets				27,100,971
Liabilities				
Segment liabilities	7,336,707	48,454	-	7,385,161
Total liabilities				7,385,161

Note 3. Operating segments (continued)

Consolidated - 30 June 2020	Malaysia $	Australia $	elimination / unallocated $	Total $
Revenue				
Sales to external customers	13,696,465	-	-	13,696,465
Interest revenue	8,859	-	-	8,859
Total revenue	13,705,324	-	-	13,705,324
EBITDA	1,349,734	(521,690)	-	828,044
Depreciation and amortisation	(605,355)	-	-	(605,355)
Interest revenue	8,859	-	-	8,859
Finance costs	-	-	(511,128)	(511,128)
Profit/(loss) before income tax benefit	753,238	(521,690)	(511,128)	(279,580)
Income tax benefit				395,636
Profit after income tax benefit				116,056
Assets				
Segment assets	20,700,044	10,290,066	(10,288,500)	20,701,610
Total assets				20,701,610
Liabilities				
Segment liabilities	10,172,051	876,383	-	11,048,434
Total liabilities				11,048,434

Note 4. Other income

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Net foreign exchange gain	25,683	-
Net gain on disposal of property, plant and equipment	-	15,613
Other revenue	32,068	30,422
Other income	57,751	46,035

Note 5. Expenses

	Consolidated 30 June 2021 $	30 June 2020 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Motor vehicles	35,276	2,621
Office equipment	12,007	11,671
Leasehold buildings	98,273	78,927
Total depreciation	145,556	93,219
Depreciation included in cost of goods sold		
Plant and equipment	1,108,710	525,166
Total depreciation and amortisation	1,254,266	618,385
Provision for impairment		
Impairment of inventories	-	(290,721)
Provision for expected credit losses	83,864	5,685
Total impairment	83,864	(285,036)
General and administrative expenses		
Employee wages and related costs	681,997	494,640
Directors fees	666,473	462,178
Auditors fees	64,075	75,615
Other administration expenses	542,168	954,599
Total general and administrative expenses	1,954,713	1,987,032
Equity based performance bonus granted to senior management, directors and key management personnel		
Options	1,699,740	-
Performance rights	5,844,304	-
Total Share-based payment expenses	7,544,044	-
Finance costs		
Interest and finance charges paid/payable on borrowings	163,358	427,224
Other	44,731	83,904
Finance costs expensed	208,089	511,128

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2021 $	30 June 2020 $
Cash at bank	1,691,921	2,052,895

	Consolidated	
	30 June 2021	30 June 2020
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	1,691,921	2,052,895
Bank overdraft	-	(1,092,677)
Balance per statement of cash flows	1,691,921	960,218

Note 7. Current assets - trade and other receivables

	Consolidated	
	30 June 2021 $	30 June 2020 $
Trade receivables	1,011,043	387,867
Less: Allowance for expected credit losses	(232,153)	-
	778,890	387,867
Receivable from related parties	-	44,066
Other receivables	6,968	35,099
	785,858	467,032

Note 8. Current assets - inventories

	Consolidated	
	30 June 2021 $	30 June 2020 $
Raw materials	2,311,557	363,000
Work in progress	132,278	77,722
Finished goods	3,505,528	224,719
	5,949,363	665,441

Note 9. Current assets - non-current assets classified as held for sale

	Consolidated	
	30 June 2021 $	30 June 2020 $
Land and buildings	-	3,093,719

Note 10. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2021 $	30 June 2020 $
Plant and equipment - at cost	13,489,310	5,469,981
Less: Accumulated depreciation	(3,382,922)	(2,432,531)
Less: Impairment	(126,253)	(134,179)
	9,980,135	2,903,271
Motor vehicles - at cost	243,065	12,596
Less: Accumulated depreciation	(39,748)	(5,248)
	203,317	7,348
Office equipment - at cost	127,961	118,697
Less: Accumulated depreciation	(53,099)	(43,839)
	74,862	74,858
Land	5,098,271	2,960,336
Less: Accumulated depreciation	(529,239)	(106,561)
	4,569,032	2,853,775
Buildings	1,724,108	718,490
Less: Accumulated depreciation	(113,997)	(105,220)
	1,610,111	613,270
Capital works in progress	1,339,660	6,909,408
	17,777,117	13,361,930

Capital Works in Progress
Capital Works in progress represents the new glove production lines 7 & 8 currently under construction.

Note 11. Current liabilities - trade and other payables

	Consolidated	
	30 June 2021 $	30 June 2020 $
Trade payables	2,331,091	2,098,359
Payable to related parties	-	109,714
Other payables and accruals	789,319	1,024,370
	3,120,410	3,232,443

Note 12. Current liabilities - financial liabilities

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Term loans	155,330	2,462,338
Amounts payable to related parties	64,066	109,174
Convertible notes payable	-	653,334
Deposit received for sale and leaseback transaction	1,313,345	612,787
	1,532,741	3,837,633

Note 13. Non-current liabilities - financial liabilities

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Term loans	1,548,796	-

Note 14. Equity - issued capital

	Consolidated			
	30 June 2021 Shares	30 June 2020 Shares	30 June 2021 $	30 June 2020 $
Ordinary shares - fully paid	785,881,435	745,656,435	18,365,346	18,556,098

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	593,221,525		14,108,521
Issue of shares - placement	11 Dec 2019	25,951,557	$0.0289	750,000
Issue of shares - placement	12 Dec 2019	31,235,447	$0.0289	902,704
Issue of shares - conversion of debt to shares	30 Dec 2019	1,266,436	$0.0289	36,600
Issue of shares - conversion of debt to shares	14 May 2020	3,787,221	$0.0289	109,450
Issue of shares - conversion of debt to shares	24 Jun 2020	13,690,475	$0.0300	410,714
Issue of shares - placement	24 Jun 2020	76,503,774	$0.0300	2,295,113
Capital raising costs		-	$0.0000	(57,004)
Balance	30 June 2020	745,656,435		18,556,098
Issue of shares - conversion of options	7 Jan 2021	225,000	$0.0450	10,125
Issue of shares - conversion of performance rights	16 Mar 2021	40,000,000	$0.0000	-
Capital raising costs		-	$0.0000	(200,877)
Balance	30 June 2021	785,881,435		18,365,346

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.

Note 14. Equity - issued capital (continued)

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

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2020 Financial Report.

Note 15. Equity - options and performance rights

Options
30 June 2021 - Unlisted

Expiry date	Exercise price $	Outstanding at 1 Jul 2020	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2021
23/10/2023	$0.0450	-	38,000,000	(225,000)	-	37,775,000

Performance rights
30 June 2021 - Unlisted

Expiry date	Exercise price $	Outstanding at 1 Jul 2020	Issued during year	Exercised during year	Lapsed during year	Outstanding at 30 Jun 2021
31/10/2023	$0.0000	-	80,000,000	(40,000,000)	-	40,000,000

Note 16. Equity - dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Interim dividend for the year ended 30 June 2021 of 0.18 cents ($0.0018) per ordinary share	1,167,749	-

The Company declared a final dividend for the year ended 30 June 2021 of 0.05 cents per share ($0.0005).

Note 17. 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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2021 %**	**30 June 2020 %**
KLE Products Sdn Bhd	Malaysia	100.00%	100.00%
VIP Glove Sdn Bhd	Malaysia	100.00%	100.00%

Note 18. Earnings per share

	Consolidated	
	30 June 2021 $	**30 June 2020 $**
Profit after income tax	4,742,583	116,056
	Cents	**Cents**
Basic earnings per share	0.63	0.02
Diluted earnings per share	0.60	0.02
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	757,490,339	627,771,480
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	38,000,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	795,490,339	627,771,480

The second tranche of Performance rights have not been included in the calculation of dilutive earnings per share as vesting conditions for the performance rights have not been achieved at 30 June 2021.