

# VIP Gloves Ltd

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## VIP Gloves retains full control and security over land and buildings in Malaysia

VIP Gloves Ltd (ASX:VIP) has retained full control and security over its land and buildings in Malaysia following the termination of a sale and purchase agreement (SPA).

This augurs well with the company's long-term masterplan as it expands its glove line manufacturing operations at its current operations site and adjoining land.

The agreement was with DC Glove Sdn Bhd and was in relation to the sale of land and buildings for RM29 million (A\$10.3 million), and the subsequent leaseback to VIP Gloves.

Completion was scheduled on January 20, 2021, however, the COVID-19 global pandemic, Movement Control Orders in Malaysia and the lockdown in Hong Kong affected completion of the transaction.

### Deed of Revocation

The parties have, therefore, mutually agreed to terminate the SPA with immediate effect.

They have entered into a Deed of Revocation of the SPA to rescind, revoke and terminate the SPA with effect from February 17, 2021.

Proceeds of sale received will be repaid on terms agreed under the Deed of Revocation through internally generated funds arising from continued strong glove sales and rising average selling prices.

Termination of the SPA has received full support from the company's financiers in the event future debt capital is required to fund the company's capex initiatives.

The 0.18 cent per share dividend and glove line expansion program, to be completed between late February and May 2021, will not be impacted by the decision to terminate the SPA.

As of December 31, 2020, the company reported a healthy balance sheet position with a low gearing ratio.

**Price:** 0.051

**Market Cap:** \$40.08 m

### 1 Year Share Price Graph



### Share Information

**Code:** VIP

**Listing:** ASX

**52 week High Low**  
0.22 0.031

**Sector:** Pharma & Biotech

**Website:** [www.vipglove.com.my](http://www.vipglove.com.my)

### Company Synopsis:

VIP Gloves Ltd (ASX:VIP) produces and supplies gloves on an original equipment manufacturer (OEM) basis. The company's Malaysian subsidiary manufactures nitrile disposable gloves, used in the medical, health, dental and numerous other industrial and commercial sectors, from a plant in Selangor, Malaysia.

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