

ABUNDANTE LIMITED

Company Registration No. 197902587H
(Incorporated In The Republic Of Singapore)

Abundante Limited (the "Company") refers to the query from Singapore Exchange Securities Trading Limited (the "SGX-ST") dated 21 June 2023, regarding its Annual Report for the Financial Year ended 28 February 2023. The Company sets out below the response to the query of the SGX-ST.

Query 1

In accordance with the Regulator's Column of 15 December 2021 and Listing Rule 710A, all issuers must, with effect from 1 January 2022, set a board diversity policy that addresses gender, skill and experience, and other relevant aspects of diversity. Issuers must also describe the board diversity policy and details such as diversity targets, plans, timelines and progress in their annual reports. We note from the Annual Report that the Company "has yet to adopt a board diversity policy".

Please explain in detail why the Company did not implement any board diversity policy, diversity targets, plans, timelines and progress despite the listing rule requirement.

Answer

The Board will implement a Board Diversity Policy, which endorses the principle that the Board should have a balance of skill, knowledge, experience and diversity of perspectives appropriate to its business to promote the inclusion of different perspectives and ideas to ensure effective decision making and governance of the Company and its business.

The Nominating Committee (NC) will annually review and assess the Board composition and recommend the appointment of new directors where applicable. For new and continuing appointments, the NC will consider factors such as skills, experience, age, gender, educational and professional background, tenure of service and other relevant attributes. Core competencies, which are taken into account in the selection and appointment of directors, include but are not limited to business and management experience, industry knowledge, familiarity with regulatory requirements, knowledge of risk management, finance and accounting, audit and internal controls. The NC will ensure that its search for new directors include female candidates with suitable core competencies with the aim to promote gender diversity on the Board.

All Board appointments will be made on merit. The Company aims to build and maintain a Board with a diversity of directors, in terms of skills, knowledge, experience, independence, age and gender.

Query 2

Pursuant to Listing Rule 704(6), if an issuer has previously announced its preliminary full-year results, the issuer must immediately announce any material adjustments to its preliminary full-year results made subsequently by auditors.

We note that there is a material discrepancy between the "net cash generated from operating activities" as reported in the unaudited financial statements announced on 21 April 2023 and in the Annual Report announced on 8 June 2023. Please provide further details relating to such discrepancy, and explain why the Company did not disclose these as required under Listing Rule 704(6).

Answer

The management is of the view that this is not a material discrepancy as it is less than 10% of “Net cash generated from operating activities”, “Net cash used in investing activities” and “Cash and cash equivalents at end of the year” and hence did not disclose these as required under Listing Rule 704 (6). Notwithstanding the materiality of the discrepancy, the reason for the adjustment between the audited financial statements and the unaudited full year results for FY2023 is set out in the explanatory note below.

Consolidated Statement of Cash Flows For The Financial Year ended 28 February 2023

	Group (Unaudited) S\$'000	Group (Audited) S\$'000	Group Difference s S\$'000	Note
Cash flows from operating activities				
Profit before tax	784	784		
Adjustments for:				
Depreciation of plant and equipment	709	709		
Depreciation of right-of-use assets	-	-		
Reversal of impairment loss on plant and equipment	-	-		
Unrealised foreign exchange differences	(54)	(55)	(1)	
Gain on disposal of plant and equipment	(33)	(33)		
Interest income	(171)	(171)		
Interest expense	-	-		
Reversal of impairment loss on trade receivables	(7)	(7)		
Bad debts written off	23	23		
Inventories written down	121	121		
Bad debts recovered	-	(5)	(5)	
	1,372	1,366		
Changes in:				
Inventories	93	93		
Trade and other receivables	316	190	(126)	
Trade and other payables	(279)	(278)		
Cash generated from operations	1,502	1,371		
Income taxes paid	(38)	(38)		
Net cash generated from operating activities	1,464	1,333	(131)	1
Cash flows from investing activities				
Interest received	40	40		
Purchase of plant and equipment	(33)	(33)		
Proceeds from disposal of plant and equipment	72	72		
Proceeds from disposal of assets held for sale	-	-		
Proceeds from sale of joint venture	-	-		
Investment in other financial assets	(9,981)	(9,850)	(131)	1
Net cash used in investing activities	(9,902)	(9,771)		
Cash flows from financing activities				
Interest expense paid	-	-		
Payment of lease liabilities	-	-		
Proceeds from issue of share capital	-	-		
Dividends paid	(1,043)	(1,043)		
Net cash (used in)/ generated from financing activities	(1,043)	(1,043)		
Net (decrease)/increase in cash and cash equivalents	(9,481)	(9,481)		
Cash and cash equivalents at beginning of the year	13,417	13,417		
Effects of exchange rate fluctuations on cash held	(69)	(69)		
Cash and cash equivalents at end of the year	3,867	3,867		

Note 1

This relates to the SGD government treasury bills of \$9.98 million which is payable every six months and mature in March and April 2023. Though interest is payable on maturity, the Group has accrued interest earned of \$131,000 up to 28 February 2023 and this has been included in the SGD government treasury bills of \$9.98 million. The accrued interest of \$131,000 has been reclassified from “Investment in other financial assets” to “Trade & other receivables” to reflect the principal amount of the SGD government treasury bills invested.

By Order of the Board
Abundante Limited

Submitted by Chen Lee Lee, Company Secretary on 23 June 2023