

ABUNDANT PRODUCE LIMITED

ABN 46 606 255 887

ASX APPENDIX 4E RESULTS FOR ANNOUNCEMENT TO THE MARKET PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

1. Reporting Period

Current Reporting Period	30 June 2016
Prior Reporting Period	30 June 2015

2. Results for announcement to the market

- Revenue from ordinary activities for the period	\$564,761	down 8%
- Loss from ordinary activities after tax for the period attributable to members	(\$4,796,793)	down 1,248%
- Net profit after tax for the period attributable to members	(\$4,796,793)	down 1,248%

EPS	As at 30/06/2016	As at 30/06/2015
- Basic (loss)/profit per share	0.41 cents	0.2 cents
- Diluted (loss)profit per Share	0.41 cents	0.2 cents

3. Financial Result

The consolidated profit of the Group for the year after providing for income tax amounted to \$213,612 (2015: \$14,655).

The 2016 profit is attributable to the following:

	2016	2015
R&D tax incentive rebate	\$169,439	\$144,267
Gain on initial recognition of seed	\$369,853	\$455,537
Seed sales	\$14,414	\$15,536
Cost of Sales	(\$130,698)	(\$15,536)
Impairment of goodwill on acquisition	(5,010,405)	-
Consultancy expenses	(\$77,158)	(\$10,934)
Depreciation	(\$34,348)	(\$44,904)
Net tangible assets per security	\$0.10	\$0.05

4. Commentary on Results

During the year the Group undertook a transaction which resulted in a reverse acquisition of Abundant Produce Australia Pty Ltd by Abundant Produce Limited. The comparative results represent a continuation of the legal subsidiary, Abundant Produce Australia Pty Ltd upon reverse takeover. As a result of there was an impairment of goodwill of acquisition of \$5,010,405 which results in the loss for the year of \$4,796,793. Please refer to the Statement of Profit or Loss and Other Comprehensive Income for other income and expense items. The Company only operates in one segment being seed research & development and sales and only in Australia.

5. Dividends

The Company has not paid dividends and is not proposing to pay dividends.

6. Statement of profit or loss and other comprehensive income

Refer to attached Statement of profit or loss and other comprehensive income.

7. Statement of financial position

Refer to attached statement of financial position.

8. Statement of changes in equity

Refer to attached statement of changes in equity.

9. Statement of cash flows

Refer to attached statement of cash flows.

10. Details of entities over which control has been gained or lost

On 26th April 2016 as per the prospectus, upon listing the company issued 5 million shares to the shareholders of Abundant Produce Australia Pty Ltd, thereby it became a subsidiary of Abundant Produce Limited.

11. Details of associates and joint venture entities

The Company has no associates or joint ventures.

12. Status of audit and description of likely disputes or qualifications

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016.

		Consolidated Entity	
		2016	2015
	Note		\$
Revenue	4	564,761	615,378
Cost of goods Sold		(130,698)	(15,536)
Gross profit		434,063	599,841
Consultancy expenses		(77,158)	(8,074)
Insurance expense		(15,413)	-
Depreciation and amortisation expense	5	(34,348)	(12,725)
Directors' fees		(58,000)	-
Employee benefits expense		(21)	(298)
Travel expenses		(17,070)	(3,588)
Occupancy expenses		(20,343)	(880)-
Finance costs	5	(431)	(156)
Research expenditure		(13,669)	(15,393)
Impairment of goodwill on acquisition		(5,010,405)	-
Other expenses		(32,986)	(16,693)
Profit before income tax		4,845,781	542,034
Income tax expense/(Benefit)		(48,988)	124,330
Loss for the year		4,796,793	417,704
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Total comprehensive loss for the year		4,796,793	417,704
Profit attributable to:			
- Members of parent entity		4,796,793	417,704
		4,796,793	417,704
Total comprehensive profit attributable to:			
- Members of parent entity		4,796,793	417,704
		4,796,793	417,704
Loss per share for loss attributable to the ordinary equity holders of the company:			
			Cents
Basic (loss)/profit per share	14	(0.41)	0.02
Diluted profit per share	14	(0.41)	0.02

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		Consolidated Entity	
		2016	2015
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	2,511,717	14,640
Trade and other receivables	7	285,444	163,894
Inventory		769,415	440,000
Total current assets		3,566,576	618,534
Non-current assets			
Property, plant and equipment	9	384,885	28,381
Deferred tax assets		120,800	71,812
Intangibles	9	724,747	510,398
Total non-current assets		1,230,432	610,591
Total assets		4,797,008	1,229,126
Liabilities			
Current liabilities			
Trade and other payables	10	441,382	157,286
Deferred tax liabilities	11	132,000	132,000
Total current liabilities		573,382	289,286
Total liabilities		573,382	289,286
Net assets		4,223,626	939,839
Equity			
Contributed equity	12	8,889,957	808,977
(Accumulated losses)/retained earnings	13(b)	(4,665,931)	130,862
Total equity		4,223,626	939,839

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Contributed Equity	Accumulated Profit	Total
	\$	\$	\$
Balance at 1 July 2014	579,052	(286,841)	292,211
Profit for the year	-	417,704	417,704
Total comprehensive income	-	417,704	417,704
Issue of Capital	229,925	-	229,925
Transaction Costs	-	-	-
Transaction with owners	229,925	-	229,925
Balance at 30 June 2015	808,977	130,862	939,839
Balance at 1 July 2015	808,977	130,862	939,839
Profit for the year	-	202,807	202,807
Write-off of goodwill on acquisition	-	(4,999,600)	(4,999,600)
Total comprehensive income	-	(4,796,793)	(4,796,793)
Issue of Capital	3,546,200	-	3,546,200
Deemed issue of shares from reverse acquisition	5,000,000	-	5,000,000
Transaction Costs	(465,620)	-	(465,620)
Transaction with owners	8,080,580	-	8,080,580
Balance at 30 June 2016	8,889,557	(4,665,931)	4,223,626

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

		Consolidated Entity	
		2016	2015
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		161,367	152,292
Payments to suppliers and employees		(174,893)	(44,636)
Interest received		197	37
Interest paid		(431)	(156)
Net cash outflow from operating activities		(13,760)	107,538
Cash flows from investing activities			
Payments for property, plant & equipment		(137,438)	(33,861)
Payments for research & development		(388,233)	(292,475)
Net cash inflow/(outflow) from investing activities		(525,670)	(326,336)
Cash flows from financing activities			
Proceeds from issues of shares		3,546,200	229,925
Transactions costs		(526,693)	-
Net cash inflow from financing activities		3,019,507	229,925
Net (decrease)/increase in cash and cash equivalents		2,480,077	11,127
Cash and cash equivalents at the beginning of the financial year		14,640	3,513
Cash received from subsidiary on acquisition		17,000	-
Cash and cash equivalents at end of year	6	2,511,717	14,640

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. Summary of significant accounting policies

Basis of preparations

This preliminary final report has been prepared in accordance with ASX Listing rule 4.3A and has been derived from the unaudited financial report. The financial report has been prepared in accordance with the measurement and recognition requirements of Australian Accounting Standards, Australian Accounting Interpretations and other authorised pronouncements of Australian Accounting Board and the Corporations Act 2001.

The preliminary final report does not include all notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the prospectus released in April 2016 and any public announcements made by the Group during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These policies have been consistently applied to all the years presented.

This report is based on the annual report which is in the process of being audited. The current reporting period in the preliminary final report is the year ended 30 June 2016 whilst the previous corresponding period is the year ended 30 June 2015.

Nature of operations

Abundant Produce and subsidiary (the Group) principal activities include to seed production, research and development of new and better cucumber and tomato seeds.

General information and statement of compliance

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Abundant Produce Limited is the Group's ultimate parent company. Abundant Produce Limited is a public company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Floor 6, Suite 8, 55 Miller Street, Pyrmont, New South Wales 2009, Australia.

(a) Revenue and other income

Interest income is recognised on a time proportion basis using the effective interest method.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed from the buyer to the seller.

2. Segment information

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of product category. The Company's operating segments are therefore determined on the same basis.

The Group has only one segment being seed production and research & development of new & superior seeds.

3. Revenue

	Consolidated Entity	
	2016	2015
	\$	\$
Revenue		
Interest	4,983	38
Seed Sales	14,414	15,536
R&D tax incentive rebate	169,439	144,267
Gain on initial recognition of seed	369,853	455,537
Other income	6,072	-
Total	564,761	615,378

4. Expenses

Loss before income tax includes the following specific expenses:

Depreciation and amortization expense	34,348	12,725
Costs of goods sold	130,698	15,536
Consultants costs	77,158	8,074
Rental expense relating to operating lease:	20,343	880

5. Current assets - cash and cash equivalents

Cash at bank and on hand	206,932	14,640
Term deposit	2,304,785	-
Total	2,511,717	14,640

6. Current assets - trade and other receivables

	\$	\$
Trade Debtors	3,930	-
Other receivables	281,514	163,894
Total	1,054,859	603,894

7. Non-current assets - Property, plant & equipment

	2016 \$	2015 \$
Buildings		
Cost	127,965	127,965
Accumulated Depreciation	(110,758)	(99,584)
	<u>17,207</u>	<u>28,381</u>
Capital – Work in progress		
	<u>367,678</u>	-
Office equipment		
Cost	20,729	
Accumulated Depreciation	(20,729)	
	<u>-</u>	<u>-</u>
Total property, plant & equipment	<u>384,885</u>	<u>28,381</u>

Movements in Carrying Amounts	Office Equipment	Buildings	Work in Progress	Total
Balance at 1 July 2015	-	28,381	-	28,381
Additions	20,729	-	367,678	388,407
Disposals	-	-	-	-
Depreciation	(20,729)	(11,174)	-	(31,903)
Balance at 30 June 2016	-	17,207	367,678	384,885

8. Current liabilities - trade and other payables

	Consolidated 2016 \$	2015 \$
Trade & other payables	441,382	157,286
Total	441,382	157,286

9. Current liabilities – deferred tax liabilities

	Consolidated 2016 \$	2015 \$
Deferred tax liabilities	132,000	132,000
Total	132,000	132,000

10. Contributed equity

		Consolidated Entity	
		2016	2015
	Notes	\$	\$
(a) Share capital			
Ordinary Shares			
46,500,000 (2015: Nil) Fully paid shares	(c)	8,500,400	808,977
Total Share Capital		8,500,400	808,977-

(b) Movements in ordinary share capital

	2016 \$	2015 \$	2016 Number	2015 Number
At the beginning of the reporting period	808,976	579,451	22,328,501	16,440,001
Share issues during the year:				
30 August 2014		22,500	-	1,650,000
25 March 2015		112,025	-	2,338,500
27 May 2015		95,000	-	1,900,000
1 July 2015	400	-	4,000,000	-
13 July 2015	25,000	-	500,000	-
3 August 2015	10,000	-	200,001	-
24 August 2015	11,200	-	6,500,000	-
26 April 2016	-	-	(29,528,502)	-
26 April 2016	-	-	25,000,000	-
26 April 2016	3,500,000	-	17,500,000	-
Transaction costs	(465,620)			
Closing balance	8,889,557	808,976	46,500,000	22,328,501

(c) Ordinary shares

The Company does not have a limited amount of authorised capital.

11. Reserves and accumulated losses

	Consolidated Entity	
	2016	2015
	\$	\$
(a) Retained Earnings		
Movements in retained earnings were as follows:		
Balance 1 July	130,862	(298,194)
Write-off goodwill on acquisition	(4,999,600)	-
Net profit for the year	202,807	429,056
Balance 30 June	(4,665,931)	130,862

12. Loss per share

	Consolidated Entity	
	2016	2015
	cents	Cents
(a) Basic and diluted loss per share		
Basic profit attributable to the ordinary equity holders of the Company	0.2	(0.x)
Diluted profit attributable to the ordinary equity holders of the Company	0.2	(0.x)
(b) Profit used in calculating basic and diluted loss per share	202,807	(1111111)
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.	11,568,493	xxxxxxxx
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share.	11,568,493	xxxxxxxxxxxx

(d) Information concerning the classification of securities

(i) Options

There were no options granted to executives and Directors during the year and there are no options outstanding as at 30 June 2016.

13. Share-based payments

(a) Director and executive options

There was no share based payments as at 30 June 2016.

Total share based payment expense incurred during the year was \$nil (2015: \$nil).