



ASIA VETS HOLDINGS LTD.

ADVANCEMENT



COMMITMENT

A N N U A L  
R E P O R T

2022



EXCELLENCE





# CONTENTS

## 01



Vision, Mission &  
Core Values

## 02

Corporate  
Profile

## 03

Chairman's Statement  
& Financial Review

## 06

Directors  
Profile

## 08

Key Management  
Profile

## 09

Financial  
Contents



## IBC

Corporate  
Information



This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Ms. Leong Huey Miin, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, 77 Robinson, Singapore 068896, telephone (65) 6636 4201.



## VISION

To be the trusted partner at the forefront of pet care in Asia

---

## MISSION

To practise the highest standard of pet care with compassion

---

### ADVANCEMENT

Advancement through continued education and technology

### COMMITMENT

Commitment of being a trusted partner with professional ethics

### EXCELLENCE

Excellence in knowledge, skills and customer experience

## CORE VALUES





# CORPORATE PROFILE

---

Asia Vets Holdings Ltd. (the “**Company**”), through its wholly-owned subsidiary, AVH Animal Ark Pte. Ltd. (together with the Company, the “**Group**”), provides veterinary care and clinical services to small animals in Singapore.

---

Asia Vets Holdings Ltd. (the “**Company**”), through its wholly-owned subsidiary, AVH Animal Ark Pte. Ltd. (together with the Company, the “**Group**”), provides veterinary care and clinical services to small animals in Singapore.



Currently, the Group operates two (2) veterinary clinics which provide a full range of general veterinary services including medical, surgical and dental care for small animals including dogs, cats, rabbits and other pocket pets. We pride ourselves in providing our patients with advanced diagnostic work up and the latest in medical treatments and surgical procedures. We aim to provide the highest level of care for pets under minimally stressful conditions, operating one of the few open concept veterinary clinics in Singapore where pet owners are welcome to be with their pet throughout the whole vet visit. Complementary remedies and treatments such as acupuncture and Traditional Chinese Medicine are also available at our clinics.

The Group targets to be the trusted partner at the forefront of pet care in Asia through practising the highest standard of pet care with compassion. The Group will continue to expand its operations via organic growth and acquisitions in Asia.

The Company was incorporated in Singapore in February 2010 and has been admitted to the Official List of the SGX-Catalist since July 2010.



# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW



## Dear Shareholders,

On behalf of the Board of Directors, I would like to present the results of Asia Vets Holdings Ltd. (the “**Company**”, and together with its subsidiary, the “**Group**”) for the financial year ended 31 December 2022 (“**FY2022**”).

## THE YEAR IN REVIEW

For the past year, the increased market competition and a shortage of veterinarian surgeons in the veterinary industry have posed unprecedented challenges on the Group's business growth. As a result, the Group's revenue decreased by 21.0% year-on-year, as compared to the financial year ended 31 December 2021 (“**FY2021**”). In addition, the Group has incurred additional professional expenses of \$0.3 million in relation to the proposed acquisition<sup>1</sup> of the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. from RHT AIDigi Financial Holdings Pte. Ltd. (the “**Vendor**”) (“**Proposed Acquisition**”) in FY2022. Overall, the Group suffered a loss after tax of \$767,000 for FY2022.

## FINANCIAL REVIEW

### INCOME STATEMENT

#### REVENUE, COST OF SALES AND GROSS PROFIT

The Group's revenue for FY2022 was \$2.4 million (FY2021: \$3.1 million), which was predominantly derived from rendering of veterinary services and sales of veterinary medicine. The decrease was mainly due to (i) the closure of the Group's Traditional Chinese Medicine veterinary clinic in March 2021; (ii) the departure of the former Medical Director and General Manager of AVH Animal Ark Pte. Ltd. (“**AVH Animal Ark**”), Dr Eugene Lin, in September 2021; (iii) the lesser revenue contribution from existing veterinarians as compared to the previous year, exacerbated by one of them who went on maternity leave; and (iv) the increased market competition.

The Group's cost of sales for FY2022 was \$1.6 million (FY2021: \$1.9 million), which included purchase of veterinary medicine and consumables, and employee benefits paid to veterinarians, vet technicians and vet nurses. The decrease was mainly due to decreased sales in FY2022.

Gross profit for FY2022 was \$0.8 million (FY2021: \$1.1 million) and gross profit margin was 35.0% (FY2021: 37.2%).

#### OTHER OPERATING INCOME

Other operating income comprises mainly interest income and government grants.

The amount decreased from approximately \$158,000 for FY2021 to approximately \$114,000 for FY2022 due to a decrease in government grants, and partially offset by an increase in interest income.

Government grants decreased from approximately \$123,000 for FY2021 to approximately \$9,000 for FY2022 mainly due to absence of Job Support Scheme Grant and Rental Support Scheme Grant in FY2022, which are part of the COVID-19 government relief measures announced by the Singapore government.

The interest income increased from approximately \$36,000 for FY2021 to approximately \$105,000 for FY2022 mainly due to higher interest rate for FY2022, as compared to FY2021.

<sup>1</sup> Please refer to the Company's announcements dated 30 December 2021, 28 April 2022, 5 August 2022, 30 November 2022 and 14 December 2022 for more information.



# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW

## ADMINISTRATIVE EXPENSES

Administrative expenses mainly relate to general office expenses, administrative staff costs, professional fees, listing expenses and depreciation charges. It increased from \$1.6 million for FY2021 to \$1.7 million for FY2022, mainly due to an increase in professional fees, repair and maintenance expenses, training expenses and general office expenses. The increase in professional fees was mainly due to the professional fees amounting to S\$0.3 million incurred for the Proposed Acquisition. The increase was partially offset by a decrease in administrative staff costs, merchant charges, depreciation of right-of-use assets and the absence of loss incurred in relation to the closure of the TCM clinic in 2021, which included, loss on disposal of plant and equipment, inventory written-off and penalty from early termination of lease.

## OTHER EXPENSES

Other expenses in FY2022 relate to cash donations made by the Company to the approved Institutions of a Public Character to support the local communities. Such expenses were nil in FY2021.

## FINANCE COSTS

Finance costs for FY2022 relate to the interest expenses on lease liabilities arising from right-of-use assets. It increased from approximately \$10,000 for FY2021 to approximately \$14,000 for FY2022 due to renewal of leases for veterinary clinics in August 2021.

## INCOME TAX CREDIT

Income tax credit comprises deferred taxation mainly in relation to a taxable temporary difference on plant and equipment which are subject to capital allowance. Income tax credit decreased from approximately \$18,000 for FY2021 to approximately \$11,000 for FY2022.

## LOSS FOR THE YEAR

As a result of the above, the Group recorded a loss for the year of approximately \$767,000 for FY2022, as compared to a loss for the year of approximately \$277,000 for FY2021.

## FINANCIAL POSITION

### NON-CURRENT ASSETS

Plant and equipment comprise veterinary and medical equipment, office equipment, computer and software and furniture and fixtures. It decreased from approximately \$153,000 as at 31 December 2021 to approximately \$123,000 as at 31 December 2022, mainly due to depreciation charges incurred in FY2022.

Right-of-use assets relate to leases of veterinary clinic and office premises occupied by the Group. It decreased from approximately \$416,000 as at 31 December 2021 to

approximately \$291,000 as at 31 December 2022, mainly due to depreciation charges incurred in FY2022.

Goodwill arising from the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. by Hu Zhi Investments Limited and David Wendyl Karl Jenkins remains unchanged at \$8.4 million as at 31 December 2022 and 31 December 2021.

### CURRENT ASSETS

Inventories mainly comprise veterinary medicine, clinic consumables and pet food. It increased from approximately \$105,000 as at 31 December 2021 to approximately \$108,000 as at 31 December 2022. The Group stocked up its inventories as some of the Group's major suppliers closed their operations during the Chinese New Year holiday period in January 2023.

Trade and other receivables mainly comprise trade receivables, interest receivables, deposit, and other receivables in relation to the Proposed Acquisition. It increased from approximately \$47,000 as at 31 December 2021 to approximately \$349,000 as at 31 December 2022. Other receivables increased from approximately \$42,000 as at 31 December 2021 to approximately \$347,000 as at 31 December 2022, mainly due to the professional fees incurred for the Proposed Acquisition of approximately \$290,000, which will be reimbursed from the Vendor, and this was partially offset by the absence of government grant receivables.

Prepayments increased from approximately \$25,000 as at 31 December 2021 to approximately \$28,000 as at 31 December 2022.

### CURRENT LIABILITIES

Trade payables increased from approximately \$50,000 as at 31 December 2021 to approximately \$63,000 as at 31 December 2022, due to the higher purchases made in December 2022 for stocking up of inventories.

Other payables and accruals comprise mainly professional fees, directors' fees and GST. Other payables and accruals increased from approximately \$406,000 as at 31 December 2021 to approximately \$443,000 as at 31 December 2022. The increase was mainly due to an increase in professional fees and accruals for directors' fees in FY2022.

Lease liabilities (current portion) relate to veterinary clinic and office leases of premises occupied by the Group and due within the next 12 months after 31 December 2022. It increased from approximately \$157,000 as at 31 December 2021 to approximately \$185,000 as at 31 December 2022, due to the increase in clinic rental from February 2023 onwards.



# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW

## NON-CURRENT LIABILITIES

Lease liabilities (non-current portion) relate to veterinary clinic and office leases of premises occupied by the Group and due after 12 months subsequent to 31 December 2022. It decreased from approximately \$265,000 as at 31 December 2021 to approximately \$120,000 as at 31 December 2022, mainly due to a reclassification of amount due from non-current liabilities to current liabilities.

Deferred tax liabilities mainly relate to a taxable temporary difference on plant and equipment which are subject to capital allowance. The deferred tax liabilities amounting to approximately \$11,000 has been utilised as at 31 December 2022.

## WORKING CAPITAL

The Group reported a positive working capital position of \$9.9 million as at 31 December 2022 (\$10.7 million as at 31 December 2021).

## TOTAL EQUITY

The Group's total equity decreased from at \$19.4 million as at 31 December 2021 to \$18.6 million as at 31 December 2022.

## CASH FLOWS

Net cash used in operating activities amounted to approximately \$761,000 for FY2022. The net cash used in operating activities was mainly due to (i) the negative operating cash flows before working capital changes of approximately \$608,000; and (ii) net working capital outflow of approximately \$239,000. The net working capital outflow was mainly attributable to (i) an increase in trade and other receivables of approximately \$283,000; (ii) an increase in inventories of approximately \$3,000; and (iii) an increase in prepayments of approximately \$3,000; which was partially offset by an increase in trade and other payables of approximately \$50,000.

Net cash used in investing activities for FY2022 amounted to approximately \$56,000 and was due to the purchase of plant and equipment.

Net cash used in financing activities for FY2022 amounted to approximately \$181,000 and was due to the repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents decreased from \$11.1 million as at 31 December 2021 to \$10.1 million as at 31 December 2022.

## MOVING FORWARD

As a result of prolonged COVID-19 pandemic, the manpower crunch will be a concern for the veterinary sector in the short to medium term. Since the beginning of 2023, the Group has made several efforts to retain and attract qualified veterinarian surgeons and nurses such as restructuring the pay scheme and working hours, accepting interns from local polytechnics and universities, and expanding the recruitment networks. Although the business condition will continue to be challenging this year, the management of the Company together with our professional team of veterinarians will continue to improve our core strengths and internal capabilities to drive higher quality and standards of care for our patients.

Since venturing into the veterinary industry in 2018, the Company has been actively exploring various acquisition opportunities and options available to maximise value for its shareholders.

On 30 December 2021 ("**Announcement**"), the Company announced the Proposed Acquisition. The Proposed Acquisition will constitute a "reverse takeover" transaction pursuant to Chapter 10 of the Catalist Rules and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company at an extraordinary general meeting to be convened. The Proposed Acquisition will enable the Group to capture opportunities within the fast-growing financial and technology business and achieve higher revenue levels alongside its existing business. Please refer to the announcements dated 30 December 2021, 28 April 2022, 5 August 2022, 30 November 2022 and 14 December 2022 for more information on the Proposed Acquisition. The Company will make the necessary announcements as and when there are further material developments on the Proposed Acquisition and other matters contemplated by the Announcement.

## IN APPRECIATION

On behalf of the Board of Directors of the Company, I would like to take this opportunity to thank all our employees and clients for their continued trust in us during the challenging period. In addition, I would also like to thank our shareholders, business associates and suppliers for their generous support over the years.

## TAN TONG GUAN

*Co-founder, Executive Chairman and Chief Executive Officer*



# DIRECTORS

## PROFILE



**TAN TONG GUAN**

Co-founder, Executive Chairman and CEO

Tan Tong Guan, 59, co-founder, Executive Chairman and CEO, was appointed to the Board on 17 February 2010 and was last re-appointed on 25 April 2022. He is responsible for providing the corporate direction and business strategy for our Group. Mr Tan brings over 30 years of experience in business strategy, having been an executive director of our holding company and controlling shareholder, Tan Gee Beng Private Limited (“**TGBPL**”), from February 1991 to the present. TGBPL was formed in 1967 by Mr Tan’s family and has grown from a trading company to an investment holding company that has businesses, ranging from manufacturing, trading, property investments and investment holding. Mr Tan is currently an independent director and chairman of the audit committee of Sing Holdings Limited, a SGX-listed company. Mr Tan graduated with a Bachelor of Accountancy from the National University of Singapore and is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants (“**ISCA**”). Mr Tan is the brother of Ms Tan Geok Moey (Non-Executive Director).



**TAN GEOK MOEY**

Non-Executive Director

Tan Geok Moey, 62, Non-Executive Director, was appointed to the Board on 15 March 2010 and was last re-appointed on 27 April 2021. She is a member of the Audit Committee, the Remuneration Committee and the Nominating Committee of our Company. Ms Tan is currently a director of TGBPL, the holding company and controlling shareholder of our Company. She is also a director of TGB Properties Pte Ltd, Cosmos Investment Pte Ltd, Wellington First Properties (NZ) Pte Ltd, Tan Gee Beng (Hong Kong) Ltd and TGB Properties (NZ) Pte Ltd. Ms Tan graduated with a Bachelor of Accountancy from the National University of Singapore. Ms Tan is the sister of Mr Tan Tong Guan (Executive Chairman and CEO).







# DIRECTORS PROFILE



**KIM SEAH TECK KIM**  
Independent Director

Kim Seah Teck Kim, 68, Independent Director, was appointed to the Board on 25 April 2019 and was last re-appointed on 25 April 2022. He is the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee of our Company. He has previously served as an independent director on other SGX-listed companies, namely Sing Investments & Finance Limited (till April 2019) and Texchem-Pack Holdings (S) Limited (till April 2016).

A practising lawyer with Incisive Law LLC, Mr Seah was previously a full-time academic and served as Vice-Dean of the Faculty of Law of the National University of Singapore before leaving for private practice. He is the Legal Adviser to the Association of Banks in Singapore, a member of the Banking Commission of the International Chamber of Commerce, Paris and its Panel of Experts under the DOCDEX Rules. He also serves as the Chairman of the Patron Dispute Committee of the Gambling Regulatory Authority, Singapore.

Mr Seah holds a LL.B. (Honours) degree from the University of Singapore and a LL.M. degree from Harvard Law School (awarded whilst a Fulbright Scholar). He has been an advocate & solicitor of the Supreme Court of Singapore since 1979 and is a Principal Mediator & Fellow of the Singapore Mediation Centre. He was awarded the Public Service Star in 2021 and has been a Justice of the Peace since 2008.



**HENRY TAN SONG KOK**  
Lead Independent Director

Henry Tan Song Kok, 58, Lead Independent Director, was appointed to the Board on 1 January 2020 and was last re-appointed on 3 June 2020. He is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of our Company. He is the Group CEO & Chief Innovation Officer of CLA Global TS Group (Formerly Nexia TS) and Director of the global board of CLA Global Limited. He was previously the Asia Pacific Regional Chairman and board member of Nexia International. Mr Tan currently sits as an independent director on the boards of BH Global Corporation Ltd, Dyna-Mac Holdings Limited, Penguin International Limited and Trans-China Automotive Holdings Limited, companies listed on the SGX, as well as China New Town Development Co. Ltd, a company listed on the Hong Kong Stock Exchange.

Mr Tan is the Chairman of Education Subcommittee on Sustainability Reporting of ISCA and a committee member of the ISCA Sustainability and Climate Change Committee. He is a member of AFA Working Committee 2 of ASEAN Federation of Accountants. He was previously on the EXCO and served as Treasurer of Singapore Fintech Association and ASEAN Federation of Accountants, President of Spirit of Enterprise, Chapter President of Entrepreneurs' Organisation, Council Member of the ISCA and Chairman of Nanyang Business School Alumni Advisory Board.

Mr Tan holds a Bachelor of Accountancy (First Class Honours) from National University of Singapore. He also attended the Advanced Executive Management Development Program at Beijing Tsinghua University. He is a Fellow of the ISCA, Institute of Chartered Accountants of Australia and New Zealand, CPA Australia, Insolvency Practitioners Association of Singapore Limited, ASEAN CPA and ISCA Financial Forensic Professional Credential. He is also an Associate Member of Singapore Institute of Internal Auditors, Singapore Institute of Directors and Singapore Chartered Tax Professionals. Mr Tan is a Chartered Valuer and Appraiser and sits as a Council Member of the Institute of Valuers and Appraiser, Singapore. He is an Approved Liquidator registered with the Accounting & Corporate Regulatory Authority (ACRA) and a licensed Insolvency Practitioner by Ministry of Law.



# KEY MANAGEMENT PROFILE



## XUE RU

Chief Financial Officer

## DR JOYCE LAUW

Medical Director and General Manager of  
AVH Animal Ark Pte. Ltd..

Xue Ru, 48, was appointed as the Chief Financial Officer of our Group on 20 July 2016. She is responsible for all the financial and compliance matters for our Group, including financial reporting, internal controls, taxation and human resource management. She has over 20 years of experience in finance, accounting and risk management. Prior to joining the Group, she held various managerial positions, including finance director of Hyin Engineering Pte. Ltd., chief financial officer of Hu An Cable Holdings Ltd. and finance and administration manager in Aztech Heat Exchangers Pte. Ltd..

Ms Xue graduated with a Bachelor of Economics from Nanjing University of Aeronautics and Astronautics and obtained a Master of Business Administration (Finance) from the National University of Singapore. She is a non-practicing member of the ISCA.

Dr Joyce Lauw, 34, was appointed as the Medical Director and General Manager of our Company's subsidiary, AVH Animal Ark Pte. Ltd. ("**AVH Animal Ark**") on 1 March 2022. She is responsible for overseeing the delivery of veterinary care and clinical services by the veterinary clinics under AVH Animal Ark. Dr Joyce Lauw is the principal veterinary surgeon who leads and guides our Group in the development of medical protocols and in the maintenance of quality service, as well as oversees our Group's team of clinical staff.

Dr Joyce Lauw has 9 years of experience as a veterinary surgeon. In January 2014, she began her career as a veterinarian with The Animal Doctors. Subsequently, she worked as a veterinary surgeon between June 2016 and July 2018 in various veterinary clinics, including Companion Animal Surgery and Advanced VetCare Veterinary Centre. In August 2018, Dr Joyce Lauw joined AVH Animal Ark as a veterinary surgeon. She was promoted to Acting Medical Director and Acting General Manager of AVH Animal Ark in September 2021 and to her current position as Medical Director and General Manager of AVH Animal Ark in March 2022.

Dr Joyce Lauw graduated with a Bachelor of Veterinary Science from the Faculty of Veterinary Science, the University of Sydney. She is also a Certified Veterinary Acupuncturist from Chi Institute and obtained a Graduate Certificate in Small Animal Abdominal Ultrasound from University of Melbourne.

# FINANCIAL CONTENTS



10

Sustainability  
Report

31

Report on  
Corporate Governance



66

Directors'  
Statement

69

Independent  
Auditor's Report

74

Consolidated  
Statement of  
Comprehensive Income

75

Balance  
Sheets

76

Statements of  
Changes in Equity

78

Consolidated  
Statement of  
Cash Flows

79

Notes to the  
Financial Statements

112

Statistics of  
Shareholdings



114

Notice of  
Annual General Meeting





# SUSTAINABILITY REPORT

## OUR BOARD'S MESSAGE

[GRI 102-1, 14, 50, 52]

The Board of Directors (the “**Board**”) is pleased to present the annual Sustainability Report (the “**Report**”) of Asia Vets Holdings Ltd. (the “**Company**” or “**AVH**”) and its subsidiaries (collectively, the “**Group**”) for the reporting period from 1 January 2022 to 31 December 2022 (“**FY2022**”). The Report further demonstrates AVH’s ongoing efforts on sustainability issues, management and collaborations with our business partners to achieve our economic, environmental and social objectives.

Besides striving to be at the forefront of pet care in Singapore, one of the core values of the Group is to remain committed to be a trusted partner with professional ethics. We have considered sustainability issues in our business as part of our strategic planning. The Board has determined the Economic, Environmental, Social and Governance (“**EESG**”) factors identified as material to the Group’s business. The Board also maintains oversight of the management and monitoring of the material EESG factors of the Group through periodic reports from the management of the Group (the “**Management**”), who is responsible to ensure that the material EESG factors identified are monitored on an ongoing basis and properly managed.

A sustainability reporting policy (“**SR Policy**”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material EESG factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under the SR Policy, we will continue to monitor, review and update our material EESG factors from time to time, taking into account the feedback that we receive from the engagement with our stakeholders, and organisational and external developments.

The Singapore economy has weathered the COVID-19 pandemic, which has brought about economic impact and changes in how veterinary clinics operate. The Management together with our professional team of veterinarians have overcome the challenges and continued to serve our community during this period.

The Board would like to take this opportunity to thank everyone who have contributed to our sustainability efforts and we will continue to strive and improve while considering the economic, social and environmental impact to our stakeholders. The Board will continue to take a balanced approach in formulating strategies to enhance long-term values which are sustainable to our stakeholders.



# SUSTAINABILITY REPORT



## ABOUT US

[GRI 102-2, 3, 6, 16, 53, 54, 56]



This Report covers AVH's approach towards the EESG factors deemed material to the Group.

AVH has utilised the Global Reporting Initiative ("GRI") Standards which are the most widely adopted global standards for sustainability reporting. This Report has been prepared in accordance with the GRI Standards: Core option. GRI is the independent, international organisation that helps businesses and other organisations take responsibility for their sustainability impacts, by providing them with the global common language to communicate those impacts. Internal review on sustainability reporting process has been conducted by the internal auditor of the Company. All recommendations have been either implemented by the Company or in the process of implementation as of the reporting date. No external assurance has been sought for this Report.

Pursuant to Rule 711B(1)(aa) and (2) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst, climate-related disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures must be included in the sustainability report and any exclusion must be explained. The Group had devoted its resources in running its business operations and did not manage to initiate the preparatory work and data collection for climate reporting for FY2022. The Company will review from time to time, the necessity of adopting a phased approach to climate risk assessment and related financial disclosures in its future sustainable reports, taking into consideration of the Group's nature and size of business.

This Report is available for download on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at the URL <http://asiavets.com/investor-relations/>.

As we seek to continually improve upon our sustainability efforts, any feedback is welcomed at [general@asiavets.com](mailto:general@asiavets.com).

Headquartered in Singapore, the Group's principal business activity is to provide veterinary services and sales of veterinary medicines and products through our subsidiary, AVH Animal Ark Pte Ltd.

With our reputation of providing the highest level of pet care, equipped with experienced and competent team of staff, we are optimistic about our performance in the following years.



# SUSTAINABILITY REPORT

## OUR EXPERTISE

[GRI 102-2, 4, 6, 7]

The Group is proud to serve our customers for all pet related needs. Our veterinary clinics prides itself on its team of highly experienced and motivated animal healthcare professionals. AVH currently operates two veterinary clinics in Singapore. Our veterinary clinics have a sturdy base of customers through quality service care and we provide a full range of general veterinary services including medical, surgical and dental care for small animals including dogs, cats, rabbits and other pocket pets.

Embracing a wider philosophy to wellbeing, we also offer veterinary acupuncture and Traditional Chinese Medicine (“TCM”) for a more holistic approach to health and healing for animals with conditions such as epilepsy, hepatitis, anaemia, arthritis and abdominal pains.

The Group also prides ourselves in providing our patients with advanced diagnostic workup and the latest in medical treatments and surgical procedures. We aim to provide the highest level of care for pets under minimally stressful conditions.

AVH also offers after-hours emergency hotline service which operates from 8pm to 9am the next day and throughout public holidays.

All cases are first screened and triaged by the duty veterinarian over the telephone. If required, the duty veterinarian will then meet the customers at the assigned clinic.

## OUR PROMISE

[GRI 102-16, 103-1 to 3, 205-3]

Our team is committed to educating our clients on how to keep their pets healthy all year round, with good nutrition and exercise. AVH stays on top of the latest advances in veterinarian technology and above all, remembers that all animals and pets need to be treated with loving care in every check-up, procedure, or surgery.

## Conflict of Interest

To uphold the highest standards of corporate governance, the Group engages in responsible business practices and comply with applicable acts, laws, rules and regulations. All employees and Directors are required to submit a Conflict of Interest Declaration as guided by AVH's Conflict of Interest Policy.

This ensures that employees' and directors' business judgement and decision making are not influenced by undue personal interests that creates a conflict of interest to the Group. The Group also requires its new suppliers to submit a Conflict of Interest Declaration prior to the start of their business relationship. Any activity that appears to present a conflict must be avoided or terminated unless the Management determines the activity is not harmful to the Group or otherwise improper.

## Code of Conduct

AVH has established a Code of Business Conduct and Ethics that sets the principles of the code of business conduct and ethics which applies to all employees of the Group. Directors, key Management personnel and employees of the Group are expected to observe and uphold the highest possible standards of ethical, moral and legal business conduct and to be in compliance with the laws and regulations at all times and all places in the world. The Group holds integrity as the guiding principle in dealing with its customers, shareholders, business partners, employees and the general public.

The Group has also established a Discipline Proceeding Policy where the objectives of the disciplinary actions are to guide, coach and improve the individual's attitude, behavior and habit. Employees who violate the rules of conduct will be subject to disciplinary action.

## Enterprise Risk Management

AVH has established an Enterprise Risk Management (“**ERM**”) framework and register to identify, manage and monitor the business and operating risks impacting the Group. The risk universe is reviewed by the Management on an ongoing basis. This includes the risk rating in accordance to its likelihood and impact, causes, consequences, existing controls and future action plans.

The Board has overall responsibility for the governance of risk and with the support of the Audit Committee, oversees the design, implementation and monitoring of the risk management and internal control systems of the Group.

## Bribery and Anti-corruption

The Group is committed to the highest standards of ethical, moral and legal business conduct and has adopted a zero-tolerance approach to bribery and corruption. In line with this commitment to open communication and good corporate governance, a Whistle-blowing Policy was implemented which provides employees and external parties with a platform to raise concerns in confidence on any wrongdoings, malpractices or possible irregularity with the Group and its employees. They are protected from reprisals or victimisation for whistle blowing in good faith and without malice.

Our Whistle-blowing Policy is disseminated to all governance body members and employees which serve as a guideline in recognising and addressing any possible instances of corruption that they may face or witness. We have met our target of NIL set last year for this reporting period. There have been no incidents of bribery or corruption reported during the reporting period (FY2021: NIL, FY2020: NIL) and we envision to maintain this performance perpetually.

## OUR SUSTAINABILITY JOURNEY

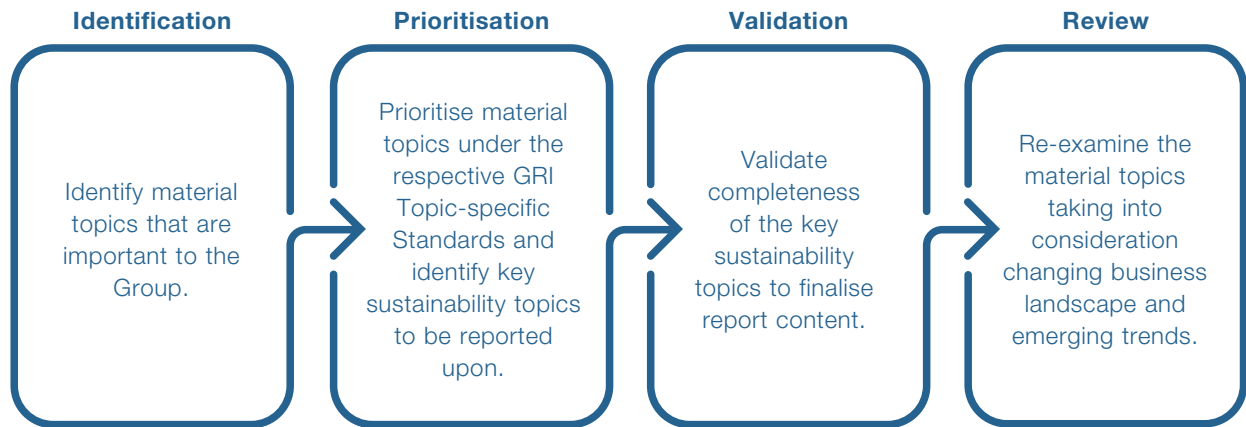
[GRI 102-18, 46]

Our sustainability strategy is developed and directed by the senior management in consultation with the Board. The Group's Sustainability Working Group includes the Chief Financial Officer and the Operation Manager of the Company, and is led by the Executive Chairman and Chief Executive Officer. The Sustainability Working Group is tasked to develop the sustainability strategy, review the Group's material impacts, consider stakeholders' priorities and set goals and targets, as well as collect, verify, monitor and report performance data for sustainability reporting.

We conducted our first materiality assessment in 2019 with reference to the GRI Standards to identify and select stakeholders with whom to engage and determine the EESG factors that are material to them. We conducted a Focus Group Discussion to validate the assessment and gather feedback on the sustainability issues that are important to these key stakeholders. The key stakeholder groups and material EESG factors are still relevant and remain unchanged since last reporting period. We will continue to assess the identified material EESG factors on a periodic basis to ensure their relevance. The Group has adopted the four-step approach below to identify the relevant topics for reporting.



# SUSTAINABILITY REPORT



In accordance with the GRI Standards, we applied the four reporting principles to decide which content to include in the Report by considering the Group's activities, impacts, and the substantive expectation and interests of our stakeholders.

Principles	Objectives
Stakeholder Inclusiveness	Defining stakeholders and explaining how the Group has responded to their expectations and interests.
Sustainability Context	Presenting the Group's performance in the wider context of sustainability.
Materiality	Identifying the Group's significant EESG factors.
Completeness	Disclosing significant EESG factors and boundaries to assess the Group's performance in the reporting period.



## OUR KEY STAKEHOLDERS

[GRI 102-40, 42 to 43]

We recognise that identifying and selecting stakeholders with whom we want to engage with is essential to ensure quality relationships are being forged and maintained.

<b>Employees</b>	<ul style="list-style-type: none"><li>• Our employees are encouraged to engage with us for any recommendation for improvements in their scope of work. We also encourage our employees to learn new skills and knowledge through trainings and courses.</li></ul>
<b>Customers</b>	<ul style="list-style-type: none"><li>• Customers' feedbacks and expectations are communicated to us so that we could review and make improvements to our quality of service or product.</li></ul>
<b>Suppliers</b>	<ul style="list-style-type: none"><li>• Our suppliers ensure smooth delivery of high quality products while also working with us to improve on the existing product range.</li></ul>
<b>Investors</b>	<ul style="list-style-type: none"><li>• AVH's investors serve as a guide for our future growth plans and strategies. We are constantly seeking opportunities for expansion of our service offerings and operations.</li></ul>
<b>Regulators</b>	<ul style="list-style-type: none"><li>• We take compliance on regulations seriously as we believe that observing the regulations will enable us to provide stakeholders with a high degree of professionalism.</li></ul>

We welcome feedback from our stakeholders on an ongoing basis and ensure that there is adequate management and monitoring over the material EESG factors identified during the reporting period.



# SUSTAINABILITY REPORT

## OUR KEY STAKEHOLDERS

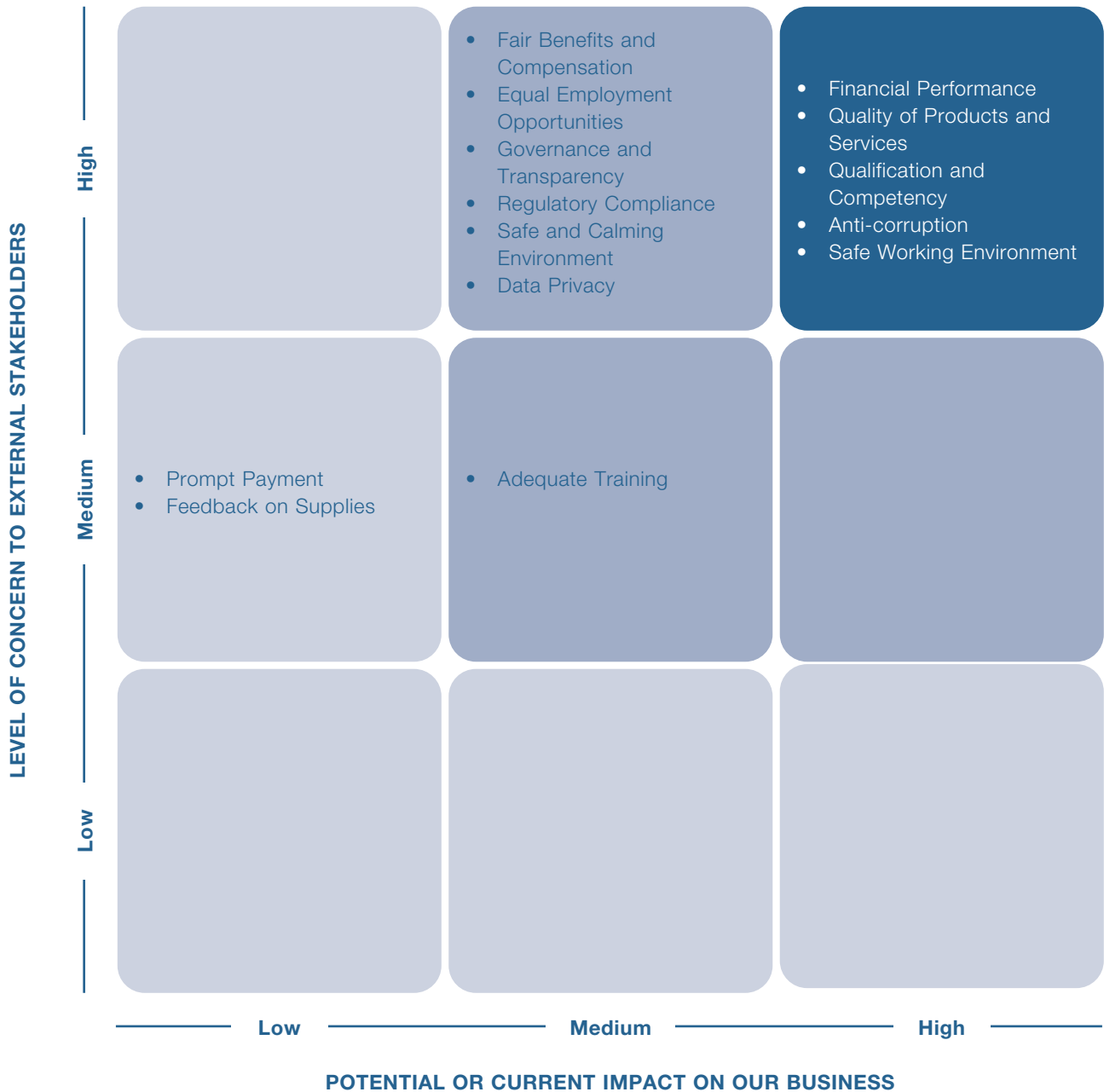
[GRI 102-40, 42 to 44]

Each of our valued stakeholders bring resources to AVH regardless of where they fall in the value chain. Our core value has always been about valuing our stakeholders and becoming a trusted partner to them. Stakeholder groups engaged by us are set out below.

Stakeholders	Basis for Determining Stakeholders	Engagement Method	Frequency of Engagement	Area of Concerns
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employees execute the direction of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Different modes of communication such as face to face, tele and videoconferencing</li> <li>Annual performance review</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>As and when necessary</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Safe working environment</li> <li>Fair benefits and compensation</li> <li>Equal employment opportunities</li> <li>Adequate training provided</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customers' needs influence the direction of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Different modes of communication such as face to face, tele and videoconferencing</li> <li>Website</li> <li>Talks and seminars</li> </ul>	<ul style="list-style-type: none"> <li>As and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>Safe and calming environment</li> <li>Quality of products and services</li> <li>Qualification and competency</li> <li>Data privacy</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Influence on Management's decisions and responsibility towards investors</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Company's website</li> <li>Announcements via SGXNet</li> </ul>	<ul style="list-style-type: none"> <li>As and when necessary</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Governance and transparency</li> <li>Anti-corruption</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Dependency on suppliers to carry out business operations</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration meetings</li> </ul>	<ul style="list-style-type: none"> <li>As and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>Prompt payment</li> <li>Feedback on supplies</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Compliance with local laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Reporting platforms</li> </ul>	<ul style="list-style-type: none"> <li>As and when necessary</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> </ul>



# SUSTAINABILITY REPORT



We have prioritised our stakeholders' areas of concern based on what's important to AVH and what's important to our stakeholders.

Topics falling under the top right quadrant are deemed material to the Group and will be reported in this Report.



# SUSTAINABILITY REPORT

## OUR MATERIAL FACTORS

[GRI 102-44, 46 to 47]

There have been no major changes to our business operations during this reporting period, as compared to last reporting period. The material factors identified under the EESG framework remain the same.

Material Topic	Reason for Materiality	GRI Standard Disclosure	Boundary	
			Within AVH	Outside AVH
<b>Economic</b>				
<b>Economic Performance</b>	Poses significant effects towards investors	201-1	√	
<b>Procurement Practices</b>	Poses significant effects towards business partners	204-1	√	
<b>Anti-corruption</b>	Poses significant effects towards stakeholders	205-3	√	
<b>Environmental</b>				
<b>Energy</b>	Poses significant effects towards sustainability	302-1 302-3	√	
<b>Waste</b>	Poses significant effects towards sustainability	306-2 307-1	√	
<b>Social</b>				
<b>Employment</b>	Poses significant effects towards employees	401-1	√	
<b>Training and Education</b>	Poses significant effects towards employees	404-1 404-3	√	
<b>Diversity and Equal Opportunity</b>	Poses significant effects towards employees	405-1	√	
<b>Non-discrimination</b>	Poses significant effects towards employees	406-1	√	
<b>Customer Health and Safety</b>	Poses significant effects towards customers	416-2	√	
<b>Customer Privacy</b>	Poses significant effects towards customers	418-1	√	

## OUR SUPPLY CHAIN

[GRI 102-9, 11, 103-1 to 3, 204-1]

The Group strives to build a sustainable supply chain to seize value creation opportunities and offer significant competitive advantages. AVH engaged a total of 70 (FY2021: 78, FY2020: 88) suppliers during the reporting period. Our vendors are mainly located in countries with reliable medical care such as Singapore, Japan and the United States of America. This builds consumer confidence in the medical products used and sold at our clinics.



# SUSTAINABILITY REPORT

We have met our target of at least 95% set last year for this reporting period. The proportion of local spending in Singapore contributes to approximately 99% (FY2021: 97%, FY2020: 97%) of the Group's total expenditure during the reporting period and we target local spending in Singapore to be at least 95% every year. There are plenty of benefits from sourcing locally, as compared to sourcing internationally. These include shorter delivery lead time and efficient communication with suppliers due to quicker response time.

## OUR ENVIRONMENT

[GRI 103-1 to 3, 302-1, 3]

### Energy Conservation and Emissions Reduction

At AVH, we each play our part to improve environmental sustainability through the reduction of energy consumption across our clinics. We have met our target of NIL set last year for this reporting period. The Group did not identify any incidents on non-compliance with environmental laws and regulations during the reporting period (FY2021: NIL, FY2020: NIL) and we seek to maintain this performance perpetually.

The Group's only significant form of energy consumed is electricity. In our efforts to conserve the environment, AVH utilises energy saving lights and air conditioners. Our medical equipment is only switched on when required during medical procedures or surgeries.

Key statistic on electricity consumption during the reporting period are as follows:

Performance indicator	Unit of measurement	FY2020	FY2021	FY2022 Target	FY2022
<b>Energy consumption</b>					
Electricity consumption	kWh	67,207	47,397	N/A	40,578
Electricity consumption intensity	kWh/revenue \$'000	16.0	15.5	15.0	16.8
<b>GHG emissions</b>					
GHG emissions (scope 2)	tonnes CO <sub>2</sub> e	29.1	20.5	N/A	17.6
GHG emissions intensity	tonnes CO <sub>2</sub> e/revenue \$'000	0.007	0.007	N/A	0.007

During the reporting period, the Group consumed a total of 40,578 kWh of electricity or equivalently 17.6 tonnes of GHG emissions and reported revenue of approximately \$2.4 million. The increase in electricity consumption intensity was due to the more than proportional decrease in revenue as compared to the decrease in electricity consumption. The Group will continue to monitor our energy consumption and strive to meet the following energy usage target in the next reporting period:

Performance indicator	Unit of measurement	FY2023 Target
Electricity consumption intensity	kWh/revenue \$'000	15.0 or less
GHG emissions intensity	tonnes CO <sub>2</sub> e/revenue \$'000	0.007 or less



# SUSTAINABILITY REPORT

## OUR ENVIRONMENT

[GRI 306-2]

### Responsible Waste Management

We believe that responsible waste management helps to preserve the environment in which we operate in. Accordingly, we are committed to improve the management of waste generated in our operations.

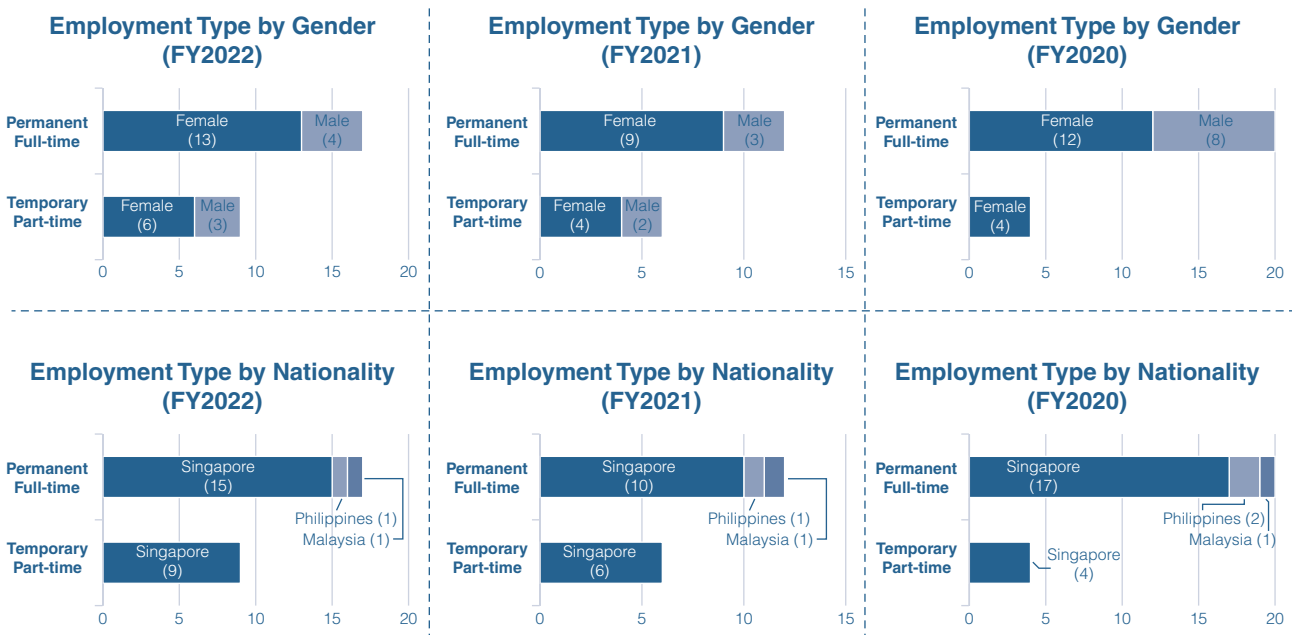
Our businesses are subject to various environmental laws and regulations on proper disposal of medical waste. We have established internal policies and implemented systems designed to comply with such requirements, including guidelines in relation to the handling of equipment, needle-sticks, sharp objects and medical waste.

During the reporting period, our biohazard waste is disposed by licensed waste collectors. There is no reported non-compliance incident with environmental laws and/or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance (FY2021: zero incident, FY2020: zero incident) and we seek to maintain this performance perpetually.

## OUR PEOPLE

[GRI 102-7 to 8, 103-1 to 3, 401-1]

The Group believes that our people are our greatest assets. They form the pillars of strength that support the Group's operations. As such, we value our people and strive to provide a conducive working environment that emphasises the enrichment and empowerment of every individual, in order to achieve organisational growth. At the end of the reporting period, the Group reported a total employee strength of 26 (FY2021: 18, FY2020: 24). The charts below show that our employee composition remains fairly consistent across the three reporting periods.

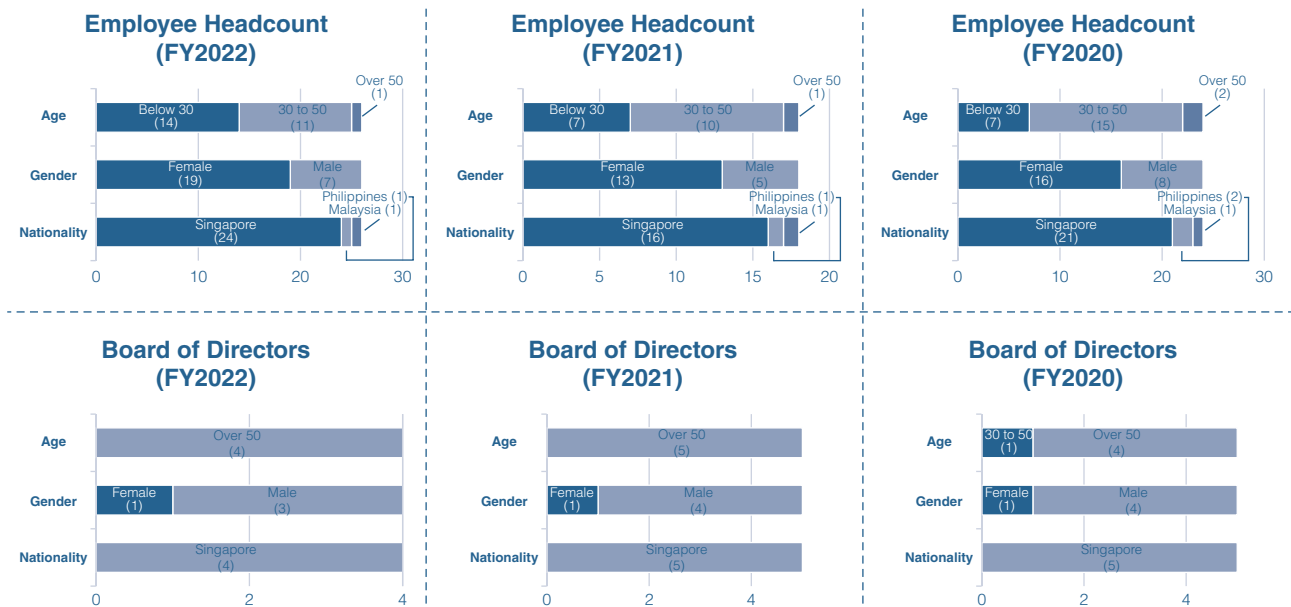


## OUR PEOPLE

[GRI 102-7 to 8, 103-1 to 3, 401-1, 405-1, 406-1]

### Diversity and Non-discrimination

Here at AVH, we believe in diversity. Regardless of gender, age and nationality, we provide our people with equal opportunities and employ them based on their merits. There have been no incidents of discrimination reported during the reporting period (FY2021: NIL, FY2020: NIL) and we target to maintain this performance perpetually.



The Board has adopted a Board Diversity Policy which sets out the framework for promoting diversity on the Board. It recognises and embraces the importance and benefits of having a diverse Board to enhance its performance. The Group periodically reviews the competencies of the Directors of AVH to ensure effective governance of the Group and contribution to the Board. To address the dynamic business environment, the Group will consider the appointment of new Director(s) that has/have the required skillset, expertise, experience and knowledge as and when it deems necessary. The Board and the Board Committees comprise persons who as a group provide an appropriate balance and diversity of skills, experience and knowledge to the Group, as well as provide a diversity of gender with one female Director who is a Non-Executive Director. The Directors, as a group, provide core competencies such as accounting or finance, business or management experience, legal, industry knowledge, strategic planning experience and customer-based experience or knowledge required for the Board and the Board Committees to be effective.

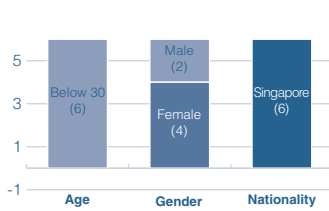


# SUSTAINABILITY REPORT

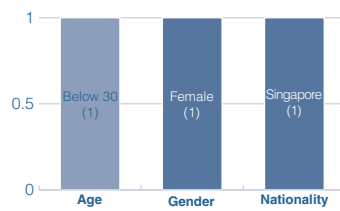
## OUR PEOPLE

[GRI 103-1 to 3, 401-1]

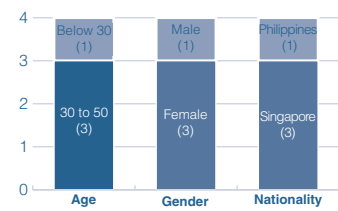
**Employee Hires (FY2022)**



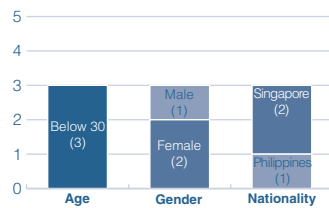
**Employee Hires (FY2021)**



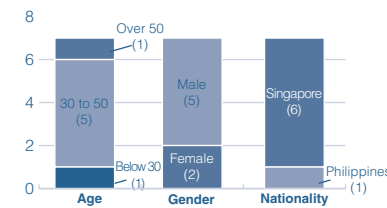
**Employee Hires (FY2020)**



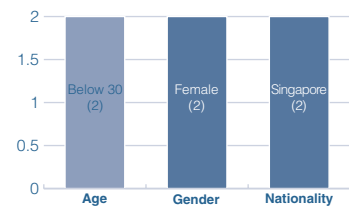
**Employee Turnover (FY2022)**



**Employee Turnover (FY2021)**



**Employee Turnover (FY2020)**



The Group's employee hiring rate<sup>1</sup> and turnover rate<sup>1</sup> was 30% (FY2021: 6%, FY2020: 17%) and 15% (FY2021: 39%, FY2020: 8%) respectively for the reporting period. The fluctuation in the employee hiring rate and turnover rate is due to the increased market demand and competition for veterinarians and nurses in veterinary industry. We seek to keep both rates below 20% in the long term.

## OUR PEOPLE

[GRI 103-1 to 3, 404-1, 3]

### Professional Development

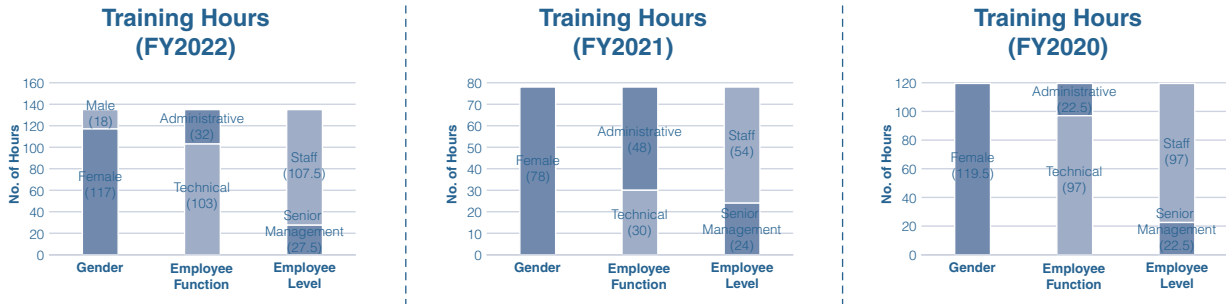
In AVH, we strongly believe in continual learning, training and development for all. We encourage our employees to learn new skills and techniques to keep abreast with veterinary changes to provide quality care for our patients. This also aids the personal development of individual employees. All our new employees undergo a 3 months' probation period during which their performance will be assessed. During the probation period, they are given on-the-job training while shadowing a senior employee. This is to provide them with the opportunity to familiarise themselves with the operations.

<sup>1</sup> We have revised the method of calculation for both employee hiring rate and turnover rate to exclude part timers for a fairer representation since the report issued for FY2021. In our reports prior to FY2021, we have included the part timers which resulted in large fluctuation in our employee hiring rate and turnover rate.





# SUSTAINABILITY REPORT



Employees are given ample opportunities to expand their competencies and optimise work operations of the Group through funding support from the Group for external development courses. During the reporting period, the Group reported an average of 7.9 training hours per employee<sup>2</sup>, as compared to an average of 6.5 and 6.0 training hours per employee for FY2021 and FY2020 respectively. Although we did not meet our target of 10.0 training hours per employee set last year due to manpower shortage, the Group has consistently increased the training hour per employee over the three reporting periods since FY2020. Moving forward, we target to increase the trainings provided to all employees.

Average Training per Employee (Hours)	FY2020	FY2021	FY2022 Target	FY2022	FY2023 Target
	6.0	6.5	10.0	7.9	10.0

## OUR PEOPLE

[GRI 102-11, 103-1 to 3, 404-1, 3]

AVH works closely with Temasek Polytechnic by being a regular partner for their Student Internship Program (SIP) for students in the Diploma in Veterinary Technology course. These students undergo 6 months of structured “on the job” training and mentorship at AVH. AVH has also partnered with NUS TalentConnect to offer a credit bearing Final Year Internship program for NUS Life Sciences final year students. All internship students benefit from well-structured career development pathways and guidance from mentors through our talent development plan.

Performance and career development reviews are conducted during our annual appraisals for all permanent employees. This serves as a platform for AVH and employees to improve performance in their current roles that brings a greater impact to the Group and to achieve their individual career aspirations. Together with clear individual development plans, we believe that effective motivation and encouragement enhances employee satisfaction, which correlates with improved organisation performance.

## Health and Safety

In ensuring that there are no safety lapses at the clinics, employees are required to be skilled in handling equipment. In addition, an in-depth understanding of medical procedures is also expected of employees. Any lapses resulting from the incompetency of employee may lead to undesirable consequences.

<sup>2</sup> We have revised the method of calculation for the training hours per employee to exclude part timers for a fairer representation in the reporting period. In our prior reports, we have included the part timers which resulted in large fluctuation in our training hours per employee.



# SUSTAINABILITY REPORT

Employees may also be exposed to risks if policies and procedures are not closely observed during administration of treatments or surgeries on animals. Any employee handling ionising irradiating apparatus must possess an L5 licence<sup>3</sup>. This licence is required for applicants intending to use, operate, energise or supervise the use of ionising radiation irradiating apparatus.

With safety being our utmost priority, our clinics are staffed with skilled veterinary technicians with at least five years of experience.

## OUR CUSTOMERS

[GRI 102-11, 103-1 to 3, 416-2]

AVH takes pride in the quality of our pet health care. The health, safety and wellbeing of our patients are of utmost importance to us. At AVH, we closely observe all regulations concerning health and safety of products and services that we offer. This is to ensure that we provide safe products and services to our customers. We have met our target of NIL set last year for this reporting period. There are no instances of non-compliance to regulations concerning the health and safety impacts of our products and services during the reporting period (FY2021: NIL, FY2020: NIL) and we seek to maintain this performance perpetually.

AVH is a committed partner whose main aim is to deliver highest level of care and professionalism. We strive to fulfil the needs and expectations of our customers and stakeholders. Taking precautionary measures in our business operations is very vital to ensure that we are fully aware of possible risks or side effects in any scientific administration to animals. Especially in our operations of evaluating and administering veterinary medicines and products to animals, it is essential that we uphold our precautionary principles.

## In Safe Hands

A selection of educational media on various veterinary topics and pet care has been provided to the public on our subsidiary's website. We hope to raise awareness of pet care through newsletters and blogposts on various topics such as "Finding your Pet" and "Behavior and Training". We also seek to reassure the owners that their pets are in safe hands. As such, AVH operates as an open clinic, whereby our team welcomes owners to observe their pets during any medical procedure, whether a simple vaccination or a complex surgery.

## OUR CUSTOMERS

[GRI 102-12, 103-1 to 3, 418-1]

## Safeguarding Customer Privacy

We place great emphasis on the protection and privacy of customer data against any breaches. The Group complies with the Personal Data Protection Act 2012 to ensure customers' privacy is safeguarded. We have met our target of NIL set last year for this reporting period. We did not receive any complaints regarding any breaches of customers' privacy and losses of customer data during the reporting period (FY2021: NIL, FY2020: NIL) and we target to maintain this performance perpetually.

---

<sup>3</sup> Regulated by the National Environment Agency

# SUSTAINABILITY REPORT



## OUR COMMUNITY

[GRI 413-1]

In AVH, we believe in giving back. Everyone has a role to play in making positive changes to the world. Whether in the social aspect or environmental aspect, all efforts matter. Here at AVH, we are actively involved in supporting the community through various Corporate Social Responsibility efforts. Preferential rates are also given to dogs who have been adopted from Save Our Street Dogs, a volunteer-run organisation dedicated to the welfare of Singapore's many street dogs. We also offer preferential rates to Project Luni, another volunteer-run organisation focused on stray cat rescues and trap-neuter-release initiatives to reduce the stray cat population in Singapore. Furthermore, we have signed up to take part in the Stray Cat Sterilisation Program which is supported by the Ministry of National Development, in collaboration with Town Councils, National Environment Agency, Cat Welfare Society, Society of Prevention of Cruelty to Animals, Noah's Ark Companion Animal Rescue & Education Society and Causes for Animals (Singapore). Under the programme, AVH provides animal and veterinary services to help reduce stray community cat populations in Housing and Development Board estates, private residential, commercial, and industrial areas.

Last but not least, during the reporting period, we have made donations to (i) HUG Community Services Limited to support at-risk youth and their families, and (ii) ONERHT Foundations which fund programmes serving a range of community needs in Singapore.





# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

[GRI 102-55]

GRI Standard	Disclosure Number	Disclosure Title	Comments	Section References in this Report/ Annual Report
<b>General Disclosures</b>				
<b>GRI 102: Organisational Profile</b>	102-1	Name of organisation	–	Our Board's Message
	102-2	Activities, brands, products, and services	–	About Us, Our Expertise
	102-3	Location of headquarters	–	About Us
	102-4	Location of operations	–	Our Expertise
	102-5	Ownership and legal form	–	–
	102-6	Markets served	–	About Us, Our Expertise
	102-7	Scale of the organisation	–	Our Expertise, Our People –
	102-8	Information on employees and other workers	–	Our People
	102-9	Supply chain	–	Our Supply Chain
	102-10	Significant changes to the organisation and its supply chain	No Changes	–
	102-11	Precautionary Principle or approach	–	Our Supply Chain, Our People, Our Customers
	102-12	External initiatives	–	Our Customers
	102-13	Membership of associations	Singapore Veterinary Association	–
<b>GRI 102: Strategy</b>	102-14	Statement from senior decision-maker	–	Our Board's Message
<b>GRI 102: Ethics and Integrity</b>	102-16	Values, principles, standards, and norms of behaviour	–	About Us Our Promise
<b>GRI 102: Governance</b>	102-18	Governance structure	–	Our Sustainability Journey

# SUSTAINABILITY REPORT



GRI Standard	Disclosure Number	Disclosure Title	Comments	Section References in this Report/ Annual Report
<b>GRI 102: Stakeholder Engagement</b>	102-40	List of stakeholder groups	–	Our Key Stakeholders
	102-41	Collective bargaining agreements	No employees covered under collective bargaining agreements	–
	102-42	Identifying and selecting stakeholders	–	Our Key Stakeholders
	102-43	Approach to stakeholder engagement	–	Our Key Stakeholders
	102-44	Key topics and concerns raised	–	Our Key Stakeholders, Our Material Factors
<b>General Disclosures</b>				
<b>GRI 102: Reporting Practice</b>	102-45	Entities included in the consolidated financial statements	–	Independent Auditor's Report, Notes to the Financial Statements
	102-46	Defining report content and topic Boundaries	–	Our Sustainability Journey, Our Material Factors
	102-47	List of material topics	–	Our Material Factors
	102-48	Restatements of information	None	–
	102-49	Changes in reporting	None	–
	102-50	Reporting period	–	Our Board's Message
	102-51	Date of most recent report	31 May 2022	–
	102-52	Reporting cycle	Annually	Our Board's Message
	102-53	Contact point for questions regarding the report	–	About Us
	102-54	Claims of reporting in accordance with the GRI standards	–	About Us
	102-55	GRI content index	–	GRI Content Index
	102-56	External assurance	No External Assurance	About Us



# SUSTAINABILITY REPORT

GRI Standard	Disclosure Number	Disclosure Title	Comments	Section References in this Report/ Annual Report
<b>Economic Standards</b>				
<b>GRI 201: Economic Performance</b>	103-1	Explanation of the material topic and its Boundary	–	Chairman's Statement & Financial Review
	103-2	The management approach and its components	–	Chairman's Statement & Financial Review
	103-3	Evaluation of the management approach	–	Chairman's Statement & Financial Review
	201-1	Direct economic value generated and distributed	–	Chairman's Statement & Financial Review
<b>GRI 204: Procurement Practices</b>	103-1	Explanation of the material topic and its Boundary	–	Our Supply Chain
	103-2	The management approach and its components	–	Our Supply Chain
	103-3	Evaluation of the management approach	–	Our Supply Chain
	204-1	Proportion of spending on local suppliers	–	Our Supply Chain
<b>GRI 205: Anti-corruption</b>	103-1	Explanation of the material topic and its Boundary	–	Our Promise
	103-2	The management approach and its components	–	Our Promise
	103-3	Evaluation of the management approach	–	Our Promise
	205-3	Confirmed incidents of corruption and actions taken	–	Our Promise
<b>Environment Standards</b>				
<b>GRI 302: Energy</b>	103-1	Explanation of the material topic and its Boundary	–	Our Environment
	103-2	The management approach and its components	–	Our Environment
	103-3	Evaluation of the management approach	–	Our Environment
	302-1	Energy consumption within the organisation	–	Our Environment
	302-3	Energy intensity	–	Our Environment
<b>GRI 306: Waste</b>	306-2	Management of significant waste-related impacts	–	Our Environment

# SUSTAINABILITY REPORT



GRI Standard	Disclosure Number	Disclosure Title	Comments	Section References in this Report/ Annual Report
<b>Social Standards</b>				
<b>GRI 401: Employment</b>	103-1	Explanation of the material topic and its Boundary	–	Our People
	103-2	The management approach and its components	–	Our People
	103-3	Evaluation of the management approach	–	Our People
	401-1	New employee hires and employee turnover	–	Our People
<b>GRI 404: Training and Education</b>	103-1	Explanation of the material topic and its Boundary	–	Our People
	103-2	The management approach and its components	–	Our People
	103-3	Evaluation of the management approach	–	Our People
	404-1	Average hours of training per year per employee	–	Our People
	404-3	Percentage of employees receiving regular performance and career development reviews	–	Our People
<b>GRI 405: Diversity and Equal Opportunity</b>	103-1	Explanation of the material topic and its Boundary	–	Our People
	103-2	The management approach and its components	–	Our People
	103-3	Evaluation of the management approach	–	Our People
	405-1	Diversity of governance bodies and employees	–	Our People
<b>GRI 406: Non-discrimination</b>	103-1	Explanation of the material topic and its Boundary	–	Our People
	103-2	The management approach and its components	–	Our People
	103-3	Evaluation of the management approach	–	Our People
	406-1	Incidents of discrimination and corrective actions taken	–	Our People



# SUSTAINABILITY REPORT

GRI Standard	Disclosure Number	Disclosure Title	Comments	Section References in this Report/ Annual Report
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	–	Our Community
<b>GRI 416: Customer Health and Safety</b>	103-1	Explanation of the material topic and its Boundary	–	Our Customers
	103-2	The management approach and its components	–	Our Customers
	103-3	Evaluation of the management approach	–	Our Customers
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	–	Our Customers
<b>GRI 418: Customer Privacy</b>	103-1	Explanation of the material topic and its Boundary	–	Our Customers
	103-2	The management approach and its components	–	Our Customers
	103-3	Evaluation of the management approach	–	Our Customers
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	–	Our Customers







# REPORT ON CORPORATE GOVERNANCE

Asia Vets Holdings Ltd. (the “**Company**”) was admitted to the Official List of the SGX-Catalist on 19 July 2010.

The board of directors of the Company (the “**Board**”) believes in having high standards of corporate governance and is committed to ensuring that effective self-regulatory corporate practices exist to protect the interests of shareholders of the Company (the “**Shareholders**”) and maximise long-term Shareholders’ values.

In accordance with Rule 710 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the following report describes the Company’s corporate governance practices for the financial year ended 31 December 2022 (“**FY2022**”) with specific reference to the Principles and Provisions set out in the Code of Corporate Governance 2018 (the “**Code**”).

The Board is pleased to report that, for FY2022, the Company has complied with the Principles of the Code, and the Provisions of the Code (except where otherwise explained). In areas where the Company’s practices vary from any Provisions of the Code, the Company has stated herein the Provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

## **Principle 1: The Board’s Conduct of Affairs**

***The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***

Provision 1.1

### ***Principal Duties of the Board***

The Company is headed by an effective Board to lead and control the Company. The Board has the overall responsibility for corporate governance, strategic direction and investments of the Company. Each individual director of the Company (“**Director**”) is obliged to act in good faith and exercise independent judgment in the best interests of Shareholders at all times.

The Board’s principal functions include:

- determining, reviewing and approving the strategic objectives and directions of the Company, annual budgets, major investments, divestments and funding proposals;
- overseeing the business and affairs of the Company, establishing with the management of the Company (the “**Management**”) the strategies and financial objectives to be implemented by the Management, and monitoring the performance of the Management;
- establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders’ interests and the Company’s assets;
- setting the Company’s values and standards (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and met;
- reviewing Management performance, the Company’s financial performance, risk processes and systems, human resource requirements and corporate governance practices;



# REPORT ON CORPORATE GOVERNANCE

- considering sustainability issues, e.g. economic, social and governance factors, as part of its strategic formulating; and
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold Management accountable for performance.

## ***Code of Business Conduct and Ethics***

The Company has established a Code of Business Conduct and Ethics that sets the principles of the code of business conduct and ethics which applies to all employees of the Group. Directors, key management personnel and employees of the Group are expected to observe and uphold the highest possible standards of ethical, moral and legal business conduct and to be in compliance with the law and regulations at all times and all places in the world.

## ***Conflict of Interests***

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his or her knowledge. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he or she should immediately declare his or her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he or she is to abstain from voting in relation to the conflict-related matters.

### Provision 1.2

## ***Appointment Letter***

Newly appointed Directors will be provided a formal letter of appointment setting out among other matters, the roles, obligations, duties and responsibilities of the Director as a member of the Board.

## ***Directors' Orientation and Training***

All newly appointed Directors will be given appropriate briefings by the Management on the business activities of the Company, its strategic directions and the Company's corporate governance policies and practices. Directors will also be given the opportunity to visit the Group's operational facilities and to meet with the Management to gain a better understanding of the Group's business operations. The Company will also arrange for first-time Directors to attend the relevant training in relation to the roles and responsibilities of a director of a listed company, organised by the Singapore Institute of Directors ("**SID**") as required under Rule 406(3)(a) of the Catalist Rules, as well as other courses relating to areas such as accounting, legal and industry specific knowledge as appropriate, organised by other training institutions. The training of Directors will be arranged and funded by the Company. No new Director was appointed to the Board in FY2022.

Existing Directors will be updated regularly on accounting and regulatory changes by the Company's external auditors, continuing sponsor and company secretary, and are encouraged to attend workshops, seminars and training, to enhance their skills and knowledge, or on relevant new laws, regulations and changing commercial risks, and such training will be funded by the Company.



# REPORT ON CORPORATE GOVERNANCE

## ***Seminars and Trainings attended by Directors in FY2022***

The details of updates, seminars and training programmes attended by the Directors in FY2022 include, amongst others:-

- updates on developments in financial reporting and governance standards, where relevant, by the external auditors of the Company;
- updates on regulatory announcements, guidance and/or amendments to the Catalist Rules and the Code, where relevant, by the continuing sponsor of the Company; and
- prescribed sustainability training programme conducted by SID and PricewaterhouseCoopers Singapore as required under the enhanced sustainability reporting rules announced by the SGX-ST in December 2021.

### Provision 1.3

#### ***Matters Requiring the Board's Approval***

The Group has adopted internal guidelines governing matters that require the Board's approval which has been clearly communicated to the Management.

The Board has identified, without limitation, the following matters that require its approval:

- declaration of dividends and other returns to shareholders;
- major corporate policies on key areas of operation;
- major funding proposals or bank borrowings;
- corporate or financial restructuring and share issuances;
- mergers and acquisitions;
- material acquisitions and disposals;
- approval of transactions involving interested person transactions; and
- appointments of new Directors.

### Provision 1.4

#### ***Delegation by the Board***

To assist the Board in the discharge of its functions, the Audit Committee, the Nominating Committee and the Remuneration Committee (collectively, "**Board Committees**") have been constituted with written terms of reference which clearly sets out the authority and duties. These terms of reference are reviewed on a regular basis, along with the respective Board Committees' structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. Matters which are delegated to the Board Committees for more detailed appraisals are reported to and monitored by the Board.



# REPORT ON CORPORATE GOVERNANCE

Please refer to the various Principles in this Corporate Governance Report for further information on the names of the members of the respective Board Committees, their terms of reference and the activities of the respective Board Committees.

## Provision 1.5

### **Board and Board Committees Meetings and Attendance**

The Board meets at least two (2) times a year, and whenever warranted by particular circumstances, as deemed appropriate by the Board members. Directors are free to discuss and voice their concerns on any matter raised at the Board meetings. Telephonic and video-conference meetings of the Board are allowed under the Company's Constitution. All Directors are provided with the agenda and a set of the Board papers prior to the Board meeting. These are issued in advance to give the Directors sufficient time to better understand the matters to be discussed and to obtain further clarifications or explanations at the Board meeting where necessary. The Company and the Board acknowledge that an unimpeded flow of relevant information in a timely manner is crucial for the Board to be effective in discharging its duties and responsibilities.

The attendance of the Directors at meetings of the Board and Board Committees held in FY2022 is set out as follows:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended
Tan Tong Guan	2	2	–	2*	–	1*	–	1*
Tan Geok Moey	2	2	2	2	1	1	1	1
Teo Yi-Dar <sup>1</sup>	2	2	2	2	1	1	1	1
Kim Seah Teck Kim	2	2	2	2	1	1	1	1
Henry Tan Song Kok	2	2	2	2	1	1	1	1

\* Attended by invitation.

<sup>1</sup> Mr Teo Yi-Dar resigned as a Director of the Company on 27 September 2022.

### **Multiple Board Representations**

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the Nominating Committee will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.



# REPORT ON CORPORATE GOVERNANCE

The Nominating Committee noted that some Directors have other principal commitments, while others have both multiple listed company board representations and other principal commitments. In particular, the Nominating Committee noted that Mr Henry Tan Song Kok holds a significant number of such listed company board representations and other principal commitments as well as Mr Kim Seah Teck Kim. Notwithstanding, the Nominating Committee noted the aforesaid Directors' commitments and contributions to the Company, which are evident in their level of attendance and active participation at Board and Board Committee meetings. Based on the above, the Nominating Committee has reviewed and is of the opinion that all the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given by the Directors to the affairs of the Company in FY2022. In view of the above, the Board, with the concurrence of the Nominating Committee, is of the view that there is no need to implement internal guidelines (such as implementing a limit on the maximum number of listed company board representations which any Director may hold) to address competing time commitments. The Board believes that each individual Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities as a Director, bearing in mind his/her other commitments. The Board and the Nominating Committee will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

## Provision 1.6

### ***Access to Information***

The Board is provided with complete, accurate, and adequate information in a timely manner, prior to Board meetings and on an on-going basis, to enable it to fulfill its responsibilities. Such information includes background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained. Such information is provided to the Directors to enable them to keep abreast of the Company's operational and financial performance and position and to facilitate better-informed decision-making.

## Provision 1.7

### ***Access to Management and Company Secretary***

The Directors have separate and independent access to the Management and the company secretary at all times. The company secretary and/or his or her representatives attend all Board meetings to ensure that Board procedures are followed and that applicable rules and regulations, including the requirements of the Companies Act 1967 of Singapore and the Catalist Rules are complied with. In addition, the company secretary and/or his or her representatives assists the Chairman and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. Under the direction of the Chairman, the company secretary's other responsibilities include ensuring good information flows within the Board and Board Committees and between the Management, the Non-Independent and Non-Executive Director and the Independent Directors, as well as facilitating orientation and assisting with professional development as required. The appointment and the removal of the company secretary is a matter for the Board as a whole.

### ***Independent Professional Advice***

Should the Directors, whether as a group or individually, need independent professional advice in furtherance of their duties and responsibilities, the Company will appoint such professional adviser to render the appropriate professional advice. The cost of such professional advice will be borne by the Company.



# REPORT ON CORPORATE GOVERNANCE

## **Principle 2: Board Composition and Guidance**

***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***

### Provision 2.1

#### ***Director's Independence***

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an “independent” Director as one who has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the best interests of the Company.

The Nominating Committee, shall conduct an annual review to determine the independence of the Directors according to the Code and its Practice Guidance, as well as Rule 406(3)(d) of the Catalist Rules. Under Rule 406(3)(d) of the Catalist Rules, a director will not be independent under any of the following circumstances: (i) if he is employed by the company or any of its related corporations for the current or any of the past three financial years; or (ii) if he has an immediate family member who is employed or has been employed by the company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the company; or (iii) if he has been a director of the company for an aggregate period of more than nine years (whether before or after listing), and such director may continue to be considered independent until the conclusion of the next annual general meeting of the company. In its review, the Nominating Committee shall consider all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its finding and recommendations to the Board for approval.

The Independent Directors (namely Mr Kim Seah Teck Kim and Mr Henry Tan Song Kok) have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the Nominating Committee, has determined that the said Directors are independent. The Independent Directors, being the members of the Nominating Committee, have each abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of their own independence as a Director.

None of the Independent Directors has served on the Board beyond nine (9) years from the date of his or her first appointment.



# REPORT ON CORPORATE GOVERNANCE

## Provision 2.2

### **Proportion of Independent Directors**

Following the resignation of Mr Teo Yi-Dar as Independent Director and as of the date of this report, the Board comprises of two (2) Independent Directors (out of a four (4) member Board), which constituted half of the Board. Although the Chairman of the Board is not independent and the Independent Directors does not make up majority of the Board as recommended by Provision 2.2 of the Code, the Board and the Nominating Committee are of the view that the Company complies with principle 2 of the Code taking into consideration the following: (i) half of the Board consists of Independent Directors and majority of each of the Board Committees are Independent Directors, (ii) the decision making process of the Board is based on collective decisions so that no individual or groups of individuals can dominate the decision making process, and (iii) the Board has a Lead Independent Director, who will provide leadership in situations where the Executive Chairman and Chief Executive Officer may be conflicted. Nevertheless, the Nominating Committee will continue to review and monitor the requirement for the majority Independent Directors to be in line with the Provision 2.2 of the Code.

## Provision 2.3

### **Proportion of Non-Executive Directors**

The Board comprises a majority of three (3) Directors (out of a four (4) member Board) who are Non-Executive Directors.

## Provision 2.4

### **Board Composition and Size**

The Board currently comprises four (4) members, one (1) of whom is an Executive Director and three (3) of whom are Non-Executive Directors, of which two (2) are Independent Directors.

The Board members as of the date of this report are:

Tan Tong Guan	Executive Chairman and Chief Executive Officer
Tan Geok Moey	Non-Independent and Non-Executive Director
Henry Tan Song Kok	Lead Independent Director
Kim Seah Teck Kim	Independent Director

The Nominating Committee is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the Nominating Committee, is of the view that the current size and composition of the Board and Board Committees, are appropriate to facilitate effective decision making, and provide sufficient diversity of expertise to lead and govern the Company effectively.

### **Board Diversity**

The Company has a written board diversity policy which sets out the policy and framework for promoting diversity on the Board and believed that a diverse Board will enhance decision making of the Board by utilising the variety of skills, industry, and business experiences and competencies, gender, age, ethnicity and culture, geographical background and nationalities, tenure of services and other distinguishing qualities.



# REPORT ON CORPORATE GOVERNANCE

On annual basis, the Nominating Committee conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, met with the requirement of the Group. The Nominating Committee will periodically review the competencies of the Directors to ensure effective governance of the Company and contribution to the Board. All Directors will submit to the Nominating Committee on an annual basis a completed Board and Board Committees Evaluation Questionnaire (including composition of the Board and Board Committees). The Nominating Committee have reviewed the completed Questionnaire for FY2022, and is satisfied that the Board has the appropriate mix of expertise, experiences, and skills in supporting the attainment of its strategic objectives and sustainable development.

The Board and the Board Committees currently comprise persons who as a group provide an appropriate balance and diversity of skills, experience and knowledge to the Company, as well as provide a diversity of gender with one (1) female Director who is a Non-Independent and Non-Executive Director (constitute 25% of the Board) in recognition of the importance and value of gender diversity. The Directors, as a group, provide core competencies such as accounting or finance, business or management experience, legal, industry knowledge, strategic planning experience and customer-based experience or knowledge required for the Board and the Board Committees to be effective. The current composition of the Board is in line with the targets set in the Company's board diversity policy. Nevertheless, the Company is constantly on the lookout for suitable candidates to join the Board as Independent Directors as part of its review process.

To address the dynamic business environment, the Nominating Committee will recommend the Board to consider the appointment of new Director(s) that has/have the required skillset, expertise, experience and knowledge as and when it deems necessary.

A brief profile of each Director is set out on pages 6 to 7 of the Annual Report. Information of the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement on page 67 of the Annual Report.

## Provision 2.5

### ***Meeting of Non-Executive Directors without Management***

The Non-Independent and Non-Executive Director and the Independent Directors will assist to develop proposals on strategies and goals for the Company and regularly assess the performance of the Management in meeting the agreed goals and objectives, and monitor the reporting of performance. The Non-Independent and Non-Executive Director and the Independent Directors are encouraged to meet, without the presence of the Management, so as to facilitate a more effective check on the Management. They will meet on an as-needed basis without the presence of the Management to discuss on arising issues.

During FY2022, the Non-Independent and Non-Executive Director and the Independent Directors have met informally via virtual meetings and communicated via emails without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, succession planning as well as leadership development and the remuneration of Directors and key management personnel.





# REPORT ON CORPORATE GOVERNANCE

## **Principle 3: Chairman and Chief Executive Officer**

***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

### Provision 3.1

#### ***Separation of the Role of Chairman and Chief Executive Officer***

The roles of the Chairman and the Chief Executive Officer are currently held by Mr Tan Tong Guan. The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the Chief Executive Officer after taking into account the current size, scope and the nature of the operations of the Company, and with the strong presence of Independent Directors on the Board. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. There is an appropriate balance of power and authority given that the majority of the members (including the respective Chairmen) of the Board Committees are independent and that a majority of the Board chaired by Independent Directors whereby a majority of the Board comprises Independent Directors. Taking into account the above, the Board is of the view that the Company complies with Principle 3 of the Code.

### Provision 3.2

#### ***Role of Chairman and Chief Executive Officer***

As Executive Chairman of the Board, Mr Tan Tong Guan leads the Board and is responsible for the management of the Board. When setting the agenda, he ensures that adequate time is available for discussion of all agenda items, in particular strategic matters. The Executive Chairman encourages Board's interaction with the Management, facilitates effective contribution of the Non-Independent and Non-Executive Director and Independent Directors, encourages constructive relations among the Directors and promotes high standards of corporate governance. In addition, the Executive Chairman ensures that the Directors receive accurate, timely and clear information and there is effective communication with Shareholders.

The Executive Chairman, being the Chief Executive Officer, is also in charge of charting the business direction as well as corporate planning and strategic developments of the Company and the Group.

### Provision 3.3

#### ***Lead Independent Director***

As the roles of the Chairman and the Chief Executive Officer are held by the same person, Mr Henry Tan Song Kok has been appointed as the Lead Independent Director of the Company as recommended by the Code, to provide leadership in situations where the Chairman, who is not independent, is conflicted. As the Lead Independent Director, Mr Henry Tan Song Kok is available to address the concerns of Shareholders and when contact through the normal channels of communication to the Chairman and Chief Executive Officer or the Chief Financial Officer has failed to satisfactorily resolve their concerns or when such contact is inappropriate or inadequate.

The Independent Directors led by the Lead Independent Director, are encouraged to meet periodically without the presence of the Management where necessary. The Lead Independent Director will also provide feedback to the Chairman after such meetings.

There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2022.



# REPORT ON CORPORATE GOVERNANCE

## **Principle 4: Board Membership**

***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

Provisions 4.1 and 4.2

### ***Nominating Committee Composition***

The Nominating Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Kim Seah Teck Kim (Independent Director)	Chairman
Henry Tan Song Kok (Lead Independent Director)	Member
Tan Geok Moey (Non-Independent and Non-Executive Director)	Member

### ***Roles and Duties of Nominating Committee***

The Nominating Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Nominating Committee is responsible for:

- reviewing board succession plans for Directors, in particular, the Chairman and the Chief Executive Officer;
- creating a formal and transparent process for the appointments and re-nominations of members of the Board and to evaluate the performance of the Board as a whole, its Board Committees and the contribution of individual Directors to the effectiveness of the Board;
- affirming annually the independence of the Directors; and
- reviewing training and professional development programs for the Board.

The Nominating Committee is scheduled to meet at least once a year. Each member of the Nominating Committee shall abstain from voting on any resolution in respect of the evaluation of his/her performance or re-nomination as a Director.

Provision 4.3

### ***Nomination and Selection of Directors***

For new appointments to the Board, the Nominating Committee will consider the Company's current Board size and its composition and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple boards. The Nominating Committee will ensure that new Directors are aware of their duties and obligations. In addition, the Nominating Committee will take into consideration whether a candidate had previously served on the board of a company with an adverse track record or a history of irregularities, or whether the candidate is or was under investigation by professional associations or regulatory authorities. The Nominating Committee will also assess whether a candidate's resignation from the board of any such company would cast any doubt on the candidate's qualification and ability to act as a Director of the Company.



# REPORT ON CORPORATE GOVERNANCE

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the Nominating Committee, in consultation with the Board, will determine the selection criteria and select the appropriate candidate for the position. The search for a suitable candidate is drawn from the contacts and networks of existing Directors. The Nominating Committee can also approach relevant institutions such as the SID, professional organisations or business federations to source for a suitable candidate.

## ***Re-election of Directors***

In accordance with the Code and Rule 720(4) of the Catalist Rules, all Directors shall submit themselves for re-nomination and re-election at least once every three (3) years. Pursuant to Regulation 95 of the Company's Constitution, at least one-third of the Directors will retire at the annual general meeting ("**AGM**") each year. In addition, Regulation 101 of the Company's Constitution provides that a newly appointed Director can only hold office until the next AGM and then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation. The Nominating Committee is charged with the responsibility of re-nomination having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.

The Nominating Committee has recommended to the Board that Ms Tan Geok Moey and Mr Henry Tan Song Kok (collectively the "**Retiring Directors**") be nominated for re-election at the upcoming AGM. In making the recommendation, the Nominating Committee had considered, among others, each of the Retiring Directors' contribution and performance to the Board and the Group. Ms Tan Geok Moey and Mr Henry Tan Song Kok, being a member of the Nominating Committee, have abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of their own re-election as a Director of the Company.

Ms Tan Geok Moey will, upon re-election as a Director, remain as the Non-Independent and Non-Executive Director, and a member of the Audit Committee, the Nominating Committee and the Remuneration Committee. Ms Tan Geok Moey is considered non-independent by the Board pursuant to Rule 704(7) of the Catalist Rules.

Mr Henry Tan Song Kok will, upon re-election as a Director, remain as the Lead Independent Director, the Chairman of the Audit Committee as well as a member of the Nominating Committee and the Remuneration Committee. Mr Henry Tan Song Kok is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Details of the Retiring Directors seeking for re-election at the upcoming AGM are set out on pages 57 to 65 of the Annual Report in compliance with the Rule 720(5) of the Catalist Rules.

## Provision 4.4

### ***Review of Directors' Independence***

As set out under Provision 2.1 of the Code above, on an annual basis, the Nominating Committee is required to determine the independence status of the Directors, bearing in mind the circumstances set forth in the Code, Rule 406(3)(d) of the Catalist Rules and any other salient factors. The Independent Directors have submitted their respective confirmation of independence annually for the Nominating Committee's review. For FY2022, the Nominating Committee has reviewed the confirmation of independence submitted by the Independent Directors and determined that the Independent Directors (namely Mr Kim Seah Teck Kim and Mr Henry Tan Song Kok) are independent. Each of the Independent Directors, being members of the Nominating Committee, has abstained and not participated in the review and determination in respect of himself.

Currently, there is no alternate Director on the Board.



# REPORT ON CORPORATE GOVERNANCE

## Provision 4.5

### **Directors' Time Commitments**

The Nominating Committee ensures that new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the Nominating Committee takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Group.

Please refer to the section entitled "Directors Profile" of the Annual Report for the listed company directorship and principal commitments of each Director.

As set out under Provision 1.5 of the Code above, the Nominating Committee has reviewed and is of the opinion that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given by the Directors to the affairs of the Company, in FY2022. Each of the Independent Directors, being members of the Nominating Committee, has abstained and not participated in the review and determination in respect of himself.

### **Principle 5: Board Performance**

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.***

## Provisions 5.1 and 5.2

The Board and the Nominating Committee strive to ensure that Directors on the Board possess the experience, knowledge and skills critical to the Company's business so as to enable the Board to make sound and well-considered decisions.

The Nominating Committee had carried out an annual performance evaluation process to assess the effectiveness of the Board as a whole and its Board Committees. The purpose of the evaluation process is to increase the overall effectiveness of the Board and its Board Committees. Each Director completes an evaluation form to assess the overall effectiveness of the Board as a whole and its Board Committees. The appraisal process for the Board focused on the evaluation of factors such as the composition of the Board, the Board's accessibility to information, Board procedures and accountability, communication with key management personnel and Directors' standards of conduct. The appraisal process for the Board Committees, on the other hand, focused on the evaluation of the respective Board Committees structure, conduct of meetings, measurement and monitoring of Board Committees performance. The results of these evaluations are reviewed and used constructively by the Nominating Committee to identify areas of improvements and recommending appropriate course of action to the Board. Based on the results collated from the evaluations, the Nominating Committee is of the view that the overall effectiveness of the Board as a whole and the Board Committees has been satisfactory for the financial year.

The Nominating Committee had decided unanimously, that the Directors will not be evaluated individually as it is more appropriate and effective to assess the overall effectiveness of the Board as a whole, bearing in mind that each Director contributes in different ways to the success of the Company and Board decisions are made collectively. In addition, the factors taken into consideration for each Director's re-nomination are the extent of his/her attendance, participation and contribution in the proceedings of the meetings.



# REPORT ON CORPORATE GOVERNANCE

The results of these evaluations are reviewed and used constructively by the Nominating Committee to identify areas of improvements and recommending appropriate course of action to the Board.

For FY2022, the Nominating Committee has not engaged any external facilitator to assist in the assessment of the effectiveness of the Board as a whole and the Board Committees. Where relevant, the Nominating Committee will consider such engagement.

## **Principle 6: Procedures for Developing Remuneration Policies**

***The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.***

Provisions 6.1, 6.2 and 6.3

### **Remuneration Committee Composition**

The Remuneration Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Kim Seah Teck Kim	(Independent Director)	Chairman
Henry Tan Song Kok	(Lead Independent Director)	Member
Tan Geok Moey	(Non-Independent and Non-Executive Director)	Member

### **Roles and Duties of Remuneration Committee and Remuneration Framework**

The Remuneration Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Remuneration Committee is responsible for:

- recommending to the Board a general framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Director, and the recommendations of the Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind will be covered by the Remuneration Committee; and
- performing an annual review of the remuneration of employees related to the Directors and substantial Shareholders of the Company to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. It will also review and approve any bonuses, pay increases and/or promotions for these employees.

The Remuneration Committee will also review the Company's obligations under the service agreements entered into with the Executive Director and key management personnel that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The Remuneration Committee aims to be fair and avoid rewarding poor performance.

The Remuneration Committee is scheduled to meet at least once a year. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.



# REPORT ON CORPORATE GOVERNANCE

## Provision 6.4

### **Engagement of Remuneration Consultants**

The Remuneration Committee, if necessary, may seek external expert advice of which the expenses will be borne by the Company. For FY2022, the Remuneration Committee has not sought external advice nor appointed remuneration consultants in considering the remuneration of all Directors.

### **Principle 7: Level and Mix of Remuneration**

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

## Provisions 7.1 and 7.3

As part of its review, the Remuneration Committee ensures that remuneration packages are comparable within the industry and with similar companies. The Remuneration Committee considers the Company's relative performance and the contributions and responsibilities of the individual Directors.

### **Policy in respect of Executive Director's and other key management personnel's remuneration**

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, the Company's and the individual employee's performance. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The Company believes in promoting commitment and motivation by aligning incentives with performance, so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for Shareholders.

The Company currently does not have any long-term incentive scheme.

The Executive Director does not receive Director's fees. The Executive Director is paid pursuant to his service agreement.

The Company's wholly-owned subsidiary, AVH Animal Ark Pte. Ltd., has also entered into a service agreement with Dr Joyce Lauw Shi Yu ("**Dr Joyce Lauw**") (a key management personnel of the Group). Dr Joyce Lauw will be paid a monthly remuneration, to be reviewed from time to time by the Remuneration Committee, and a discretionary bonus of such amount and at such intervals as AVH Animal Ark Pte. Ltd. may in its absolute discretion determine. The service agreement also provides for, *inter alia*, use of intellectual property, certain restrictive covenants (including non-compete obligation), and grounds of termination. Having considered the market practice, the Remuneration Committee and the Board had discussed and decided to reduce the notice of termination of Dr Joyce Lauw to three (3) months with effect from 1 January 2023. In view of this, AVH Animal Ark Pte. Ltd. has the right to terminate Dr Joyce Lauw's employment with immediate effect, either party may terminate the employment by giving the other three (3) months' notice in writing, and only AVH Animal Ark Pte. Ltd. may pay salary in lieu of the required period of notice.

Having reviewed and considered the variable components in the remuneration packages of the Executive Director and key management personnel, the Remuneration Committee is of the view that there is presently no urgent need for the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.



# REPORT ON CORPORATE GOVERNANCE

Provision 7.2

## **Policy in respect of remuneration for Non-Executive Directors**

Non-Independent and Non-Executive Director and Independent Directors do not have service agreements with the Company. They are compensated based on fixed Directors' fees, which are determined by the Board, after the recommendation by the Remuneration Committee, based on their contribution, taking into consideration factors such as effort, time spent and responsibilities of the Non-Independent and Non-Executive Director and Independent Directors. The Chairman of each Board Committee is paid an additional fee, and the Chairman of Audit Committee is paid a higher fee than the Chairman of the other Board Committees in view of the higher responsibility carried by that office. The proposed Directors' fees are subject to approval by Shareholders at the AGM. Non-Independent and Non-Executive Director and Independent Directors do not receive any other remuneration from the Company.

## **Principle 8: Disclosure on Remuneration**

***The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

Provisions 8.1 and 8.3

## **Remuneration Policy and Criteria**

As set out under Provisions 7.1 and 7.3 of the Code above, the Company advocates a performance-based remuneration system that is flexible and responsive to the market, the Company's and the individual employee's performance. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances.

## **Remuneration of Directors and key management personnel**

The level and mix of remuneration of the Company's Directors and key management personnel (who are not Directors or the Chief Executive Officer) for FY2022 are as follows:

<b>Remuneration band and Name of Director</b>	<b>Base/Fixed salary* (%)</b>	<b>Bonus (%)</b>	<b>Directors' fees** (%)</b>	<b>Benefits-in-kind (%)</b>	<b>Total (%)</b>
<b>Directors</b>					
<b>Between S\$250,000 and S\$500,000</b>					
Tan Tong Guan	93	7	–	–	100
<b>Below S\$250,000</b>					
Teo Yi-Dar <sup>1</sup>	–	–	100	–	100
Tan Geok Moey	–	–	100	–	100
Kim Seah Teck Kim	–	–	100	–	100
Henry Tan Song Kok	–	–	100	–	100



# REPORT ON CORPORATE GOVERNANCE

<b>Remuneration band and Name of Key Management Personnel***</b>	<b>Base/Fixed salary* (%)</b>	<b>Bonus (%)</b>	<b>Benefits-in-kind (%)</b>	<b>Total (%)</b>
<b>Below S\$250,000</b>				
Xue Ru	89	11	–	100
Joyce Lauw Shi Yu	95	5	–	100

<sup>1</sup> Mr Teo Yi-Dar resigned as a Director of the Company on 27 September 2022.

\* These amounts are inclusive of employer's CPF contribution.

\*\* The proposed Directors' fees for FY2022 is subject to Shareholders' approval at the forthcoming AGM.

\*\*\* The Group has only two (2) key management personnel (who are not Directors or the Chief Executive Officer) during FY2022.

The Board believes that it is for the benefit of the Company not to disclose in absolute number and in aggregate, the remuneration breakdown of the Directors as well as the aggregate total remuneration paid to the key management personnel (who are not Directors or the Chief Executive Officer), due to its sensitive nature and concerns of poaching. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The Company currently does not have an employee share option scheme or performance share plan in place.

None of the Directors (including the Chief Executive Officer) and the key management personnel (who are not Directors or the Chief Executive Officer) of the Company has received any termination, retirement or post-employment benefits for FY2022.

The Board has not included a separate annual remuneration report to Shareholders in the Annual Report on the remuneration of the Directors and the key management personnel (who are not Directors or the Chief Executive Officer) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in the Annual Report and in the financial statements of the Company.

## Provision 8.2

### **Remuneration of Substantial Shareholder or Immediate Family Members of Director and Chief Executive Officer**

There is no employee of the Company who is also a substantial Shareholder, or is an immediate family member of any Director, the Chief Executive Officer or a substantial Shareholder, and whose remuneration exceeded S\$100,000 during FY2022. "Immediate family member" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

### **Principle 9: Risk Management and Internal Controls**

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.***

## Provisions 9.1 and 9.2

The Company has established an enterprise risk management framework and register to identify, manage and monitor the business and operating risks impacting the Company on an on-going basis. The Board has overall responsibility for the governance of risk and with the support of the Audit Committee, oversees the design, implementation and monitoring of the risk management and internal control systems.





# REPORT ON CORPORATE GOVERNANCE

The Audit Committee will review the reports submitted by the independent internal auditors relating to the adequacy and effectiveness of the Group's significant internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The Audit Committee will also review the effectiveness of the actions taken by the Management on the recommendations made by the independent internal auditors in this respect.

On an annual basis, the Board will review the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems to ensure that they are able to meet the needs of the Group in its current business environment.

For FY2022, the Board has received assurance (i) from the Chief Executive Officer and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) from the Chief Executive Officer and other key management personnel that the Company's risk management and internal control systems are effective and adequate.

The Board and the Audit Committee have reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in all material aspects. As part of the annual statutory audit of the financial statements, the external auditors will highlight any material weaknesses in financial controls over the areas that are significant to the audit. Such material internal control weaknesses noted during their audit and recommendations, if any, by the external auditors are reported to the Audit Committee. The Audit Committee will follow up on the actions taken by the Management in response to the recommendations made by the external auditors. The Audit Committee has reviewed the follow up reports submitted by the independent internal auditors and reviewed the effectiveness of the actions taken by the Management on the recommendations made by the independent internal auditors in this respect.

Based on the internal controls established and maintained by the Group, work performed by the independent internal auditors and the external auditors, reviews performed by the Management and assurance received from the Chief Executive Officer, Chief Financial Officer and other key management personnel, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective for FY2022.

The Board will consider the necessity of establishing a separate Board risk committee as and when it deems necessary.

The Board and the Audit Committee note that all internal control systems contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

## **Principle 10: Audit Committee**

***The Board has an Audit Committee which discharges its duties objectively.***

Provisions 10.2 and 10.3

### **Audit Committee Composition**

The Audit Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Henry Tan Song Kok	(Lead Independent Director)	Chairman
Tan Geok Moey	(Non-Independent and Non-Executive Director)	Member
Kim Seah Teck Kim	(Independent Director)	Member



# REPORT ON CORPORATE GOVERNANCE

At least two (2) members of the Audit Committee have accounting and related financial management expertise and experience. None of the members of the Audit Committee is a former partner or director of the Company's existing audit firm (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the audit firm and (b) for as long as he/she has any financial interest in the auditing firm.

## Provision 10.1

### ***Roles and Duties of Audit Committee***

The Audit Committee has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management, full discretion to invite any person including Director or key management personnel of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Audit Committee will assist the Board in discharging its responsibility to safeguard the assets of the Company, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains adequate and effective control environment in the Company. The Audit Committee will provide a channel of communication between the Board, the Management and the external auditors on matters relating to audit.

The Audit Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Audit Committee is responsible for:

- reviewing the scope and results of the audit and its cost effectiveness;
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, where the external auditors in their review or audit of the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the Company;
- reviewing and assisting the Board to improve the quality of interim financial statements or financial updates;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to the Management and the Management's response;
- reviewing the half year and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;
- reviewing annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls), as well as risk management policies and systems established by the Management. The Audit Committee will also ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);



# REPORT ON CORPORATE GOVERNANCE

- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which have or are likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- reviewing potential conflicts of interest (if any);
- reviewing with the internal auditor, their internal audit plans and their evaluation of the adequacy and effectiveness of the internal control and accounting system before submission of the results of such review to the Board for approval;
- reviewing the independence, adequacy of resources and effectiveness of the internal audit function and whether the internal audit function has the appropriate standing within the Group, on an annual basis;
- reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Company regarding, *inter alia*, criminal offences involving the Company or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Company;
- reviewing key financial risk areas, with a view to providing an independent oversight on the Company's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNet;
- reviewing the Company's compliance with relevant government regulations and licensing requirements;
- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and
- generally, undertaking such other functions and duties as may be required by statute or by the Catalist Rules, or by such amendments as may be made thereto from time to time.

The Audit Committee shall also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the operating results and/or financial position of the Company. In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he/she will abstain from reviewing that particular transaction or voting on that particular resolution.

## Provision 10.4

### **Internal Audit Function**

The current size of the operations of the Group does not warrant the Group to have an in-house audit function. The internal audit function of the Group has been outsourced to In.Corp Business Advisory Pte. Ltd., an independent accounting and auditing firm.

The internal auditor's primary line of reporting is to the Chairman of the Audit Committee. The Audit Committee will review the internal audit plan to ensure that the scope is adequate and covers the review of the significant business functions of the Group and all internal audit findings and recommendations are submitted to the Audit Committee for deliberation with copies of these reports extended to the relevant key management executives. The Audit Committee approves the appointment, termination, evaluation and fees of the internal audit firm.



# REPORT ON CORPORATE GOVERNANCE

The internal auditor is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Company cooperates fully with the internal auditor in terms of allowing unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee.

The Audit Committee has reviewed with the internal auditors their audit plan and their evaluation of the system of internal controls and has evaluated their audit findings and Management's responses to those findings, the adequacy and effectiveness of material internal controls, (including financial, operational, compliance and information technology controls) and risk management systems of the Company and the Group for FY2022. The Audit Committee is satisfied that In.Corp Business Advisory Pte. Ltd. is independent, adequately resourced and effective, and has the appropriate standing within the Group. The Audit Committee is also of the view that In.Corp Business Advisory Pte. Ltd. is adequately staffed with persons with relevant qualifications and experience and adheres to professional standards including those promulgated by The Institute of Internal Auditors.

The Audit Committee will annually, review the independence, adequacy of resources and effectiveness of the internal audit function and ensure that it has appropriate standing within the Group.

## ***External Audit Function***

The Audit Committee will review the independence and objectivity of external auditors annually after taking into account all audit and non-audit services provided to the Company. Having considered the breakdown of fees paid to the external auditors as detailed on page 55 of the Annual Report and compliance with Singapore Accountants (Public Accountants) Rules, as well as the nature and extent of such services, the Audit Committee is satisfied that such services will not prejudice the independence and objectivity of the external auditors. The external auditors have also confirmed their independence in this respect, and that they are registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

After considering the adequacy of the resources and experience of the external auditors' firm and the audit partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit as well as the standard and quality of work performed by Ernst & Young LLP for past financial years, the Audit Committee is satisfied with and has recommended to the Board the nomination and re-appointment of Ernst & Young LLP as the external auditors for the Company's audit obligations for the financial year ending 31 December 2023, at the forthcoming AGM.

In appointing the auditing firms for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the Catalist Rules for FY2022.

## Provision 10.5

### ***Meeting Auditors without the Management***

In performing its functions, the Audit Committee and Management meet with the external and internal auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits. At least once a year and as and when required, the Audit Committee meets with the external and internal auditors without the presence of Management, to review any matters that might be raised privately.

For FY2022, the Audit Committee has met with the external auditors and the internal auditors once, without the presence of the Management.



# REPORT ON CORPORATE GOVERNANCE

## **Key Audit Matters**

The Audit Committee is kept abreast by the external auditors on regulatory changes and updated accounting standards during the Audit Committee meetings.

The Audit Committee has reviewed the key audit matters disclosed in the external auditors' report and is of the view that there is no material inconsistency between the audit procedures adopted by the external auditors and the Management's assessment.

## **Whistle Blowing Policy**

The Company has put in place a whistleblowing policy, whereby anyone may, in good faith and in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to Mr Henry Tan Song Kok, the Lead Independent Director and Chairman of the Audit Committee. The policy sets out procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers.

The Audit Committee is responsible for oversight and monitoring of whistleblowing and will review the policy and arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective of the Audit Committee will be to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up actions.

The Group will take all reasonable steps to protect the identity of the whistleblower so as to ensure that the identity of the whistleblower is kept confidential – subject to legal or regulatory requirements. All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations. The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a complaint or report in good faith.

No such whistleblowing report was received and no such matter was raised by any staff of the Company for FY2022.

## **Audit Committee Activities**

In FY2022, the Audit Committee had, among others, carried out the following activities:

- (a) reviewed the half-year and full-year financial statements announcements of the Group, and recommended to the Board for approval and release via the SGXNet;
- (b) reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operations, compliance and information technology controls), and risk management systems;
- (c) reviewed and approved the audit plan of the internal auditors;
- (d) reviewed the independence, adequacy of resources and effectiveness of the internal auditors and whether the internal auditors have the appropriate standing within the Group;
- (e) reviewed and approved the annual audit plan of the external auditors;
- (f) reviewed the independence of the external auditors;



# REPORT ON CORPORATE GOVERNANCE

- (g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for the Board's approval; and
- (h) met with the external auditors and internal auditors once without the presence of the Management.

## **Principle 11: Shareholder Rights and Conduct of General Meetings**

***The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.***

Provisions 11.1, 11.2, 11.3 and 11.4

All Shareholders are informed of Shareholders' meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the newspapers and posted onto SGXNet. Shareholders are encouraged to attend the Company's general meetings and to participate effectively in and vote at general meetings of Shareholders to ensure a high level of accountability and to stay informed of the Company's strategies and growth plans and establish and maintain regular dialogue between the Company and Shareholders, to gather views and inputs, and address Shareholders' concerns. The chairpersons and/or members of the Board, the Audit Committee, the Remuneration Committee and the Nominating Committee, as well as the external auditors are normally available at Shareholders' meetings to address any Shareholders' queries, including those relating to the conduct of audit and the preparation and content of the auditors' report.

If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The Company's Constitution currently does not allow a member to appoint more than two (2) proxies to attend and vote at the same general meetings and for other absentia voting methods such as by mail, electronic mail, fax and/or other methods. With effect from 3 January 2016, the Companies Act 1967 of Singapore was amended, amongst others, to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings. Relevant intermediary includes corporations holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Due to the COVID-19 situation in Singapore, the Company's last AGM held on 25 April 2022 ("**2022 AGM**") was held by way of electronic means, through "live" audio-visual webcast and "live" audio-only means, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of the 2022 AGM was not published in the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of general meetings pursuant to the COVID-19 Order. The Company had also published a notice to Shareholders, together with the notice of the 2022 AGM, detailing the alternative arrangements for the 2022 AGM.

Pursuant to Part 4 of the COVID-19 (Temporary Measures) Act 2020, a member of the Company (whether individual or corporate and including a relevant intermediary) entitled to vote at the AGM must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate and including a relevant intermediary) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. Shareholders participated in the 2022 AGM via electronic means, voting by appointing the Chairman of the 2022 AGM as proxy and their questions (if any) in relation to any resolution set out in the notice of the 2022 AGM were sent to the Company in advance of the 2022 AGM, and responses to substantial and relevant questions were provided via announcement on SGXNet and the Company's corporate website. The Company did not receive any question from Shareholders before the 2022 AGM.



# REPORT ON CORPORATE GOVERNANCE

All Directors, Management, company secretary, external auditors and the Company's continuing sponsor were present at the 2022 AGM. Save for the 2022 AGM, there were no other general meetings of the Company held during FY2022.

Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

The forthcoming AGM in respect of FY2022 will be convened in a wholly physical format and there will be no option for Shareholders to participate virtually. Please refer to the notice of forthcoming AGM dated 11 April 2023 as set out in this Annual Report for more information on how Shareholders may participate in the forthcoming AGM.

The Company understands that it should put all resolutions to vote by poll. In the event a poll is conducted, the Company will make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

Provision 11.5

## **Minutes of General Meetings**

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. Minutes of the 2022 AGM had been published by the Company on its corporate website and SGXNet within one (1) month from the date of the 2022 AGM.

Provision 11.6

## **Dividend Policy**

The Company does not have a policy on payment of dividends. The issue of payment of dividend is deliberated by the Board annually having regard to various factors. The Company has not declared any dividend for FY2022 as the Board deems it appropriate to conserve cash for the Group's business activities and growth.

## **Principle 12: Engagement with Shareholders**

***The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.***

Provisions 12.1, 12.2 and 12.3

The Board believes in regular, timely and effective communication with Shareholders. Shareholders are kept informed of all important developments concerning the Company through timely dissemination of information via SGXNet announcements, press releases, annual reports and various other announcements made whenever necessary.

The Company will voluntarily announce interim updates on useful and relevant information in addition to the mandatory financial statements to provide Shareholders a better understanding of the Company's performance. The Board will consider whether interim updates should be provided to Shareholders, and the appropriate frequency of the updates.



# REPORT ON CORPORATE GOVERNANCE

The AGM is the principal forum for dialogue between the Company and Shareholders, to gather views and inputs, and address Shareholders' concerns. The Company recognises the value of feedback from Shareholders. During the general meetings, Shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the general meetings, and Shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues. Please refer to Principle 11 above for information on the proceedings of the 2022 AGM held in FY2022.

Presently, the Company does not have an investor relations policy or protocol in place nor a dedicated investor relations team. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act 1967 of Singapore. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary. Notwithstanding so, taking into account the communication and dialogue with Shareholders undertaken by the Company as set out above, the Board is of the view that the Company complies with Principle 12 of the Code.

## **Principle 13: Engagement with Stakeholders**

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.***

Provisions 13.1 and 13.2

### **Stakeholders' Engagement**

The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. They are namely, employees, customers, suppliers, investors and regulators. The Group has also undertaken a process to determine the economic, environmental, social and governance issues, which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Please refer to the sustainability report for FY2022 set out on pages 10 to 30 of this Annual Report for the details of the stakeholder engagement and materiality assessment.

Provision 13.3

### **Corporate Website**

The Company maintains a corporate website at <http://asiavets.com> to communicate and engage with stakeholders. The corporate website provides, among others, announcements, annual reports, sustainability reports, and financial information of the Group, stock information of the Company, as well as the profiles of the Group, the Directors and the key management personnel.





# REPORT ON CORPORATE GOVERNANCE

## Dealings in Securities

The Company observes closely the best practices on dealings in securities (“**Securities Dealings Best Practices**”) in compliance with Rule 1204(19) of the Catalyst Rules. The Securities Dealings Best Practices provide guidance to the Directors and employees of the Company with regard to dealing in the Company’s securities.

The Company issues circulars or electronic mails to its Directors, key management personnel and employees that they must not trade in the shares of the Company during the period commencing one (1) month before the release of the half year and full year results and ending on the date of such announcements. In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are discouraged from dealing in the Company’s shares on short term considerations.

## Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and shall not be prejudicial to the interests of the Company and its minority Shareholders. When a potential conflict of interest arises, the Director concerned takes no part in discussions nor exercises any influences over other members of the Board.

The Group has not obtained a general mandate from Shareholders for interested person transactions. During the financial year under review, there were no interested person transactions entered into by the Group that requires disclosure pursuant to the Catalyst Rules.

## Material Contracts

Other than disclosed in the audited financial statements and the service agreement between the Executive Director and the Company, there were no material contracts (including loans) entered into by the Company or its wholly-owned subsidiary involving the interests of the Chief Executive Officer, any Director or controlling Shareholders, which are either still subsisting as at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

## Fees Paid to External Auditors

Ernst & Young LLP (“**EY**”), the external auditors of the Company, rendered the following services (and charged the fees) set out below for FY2022:

	<b>FY2022</b> <b>S\$'000</b>
Audit fees	
– Statutory audit	89
– Half year result review	6
Non-audit fees:	
– Tax returns compliance service – Current year	9.2
– RTO fees (as defined below)	67
Total audit and non-audit fees	<b>171.2</b>



# REPORT ON CORPORATE GOVERNANCE

The amount of non-audit fees exceeded 50% of the total annual audit fees charged by EY in FY2022. EY has safeguards in place to manage its independence risks some of which are disclosed as below:

- Monitor and evaluate the reliance of fees received from a single client;
- Identify the threats of independence and evaluate their significance, and apply safeguards to eliminate the identified threats or reduce them to an acceptable level;
- Require compliance with the fundamental principles of independence and audit;
- Identify the interests or relationships between the firm or members of engagement teams and clients; and
- Remuneration of lead audit engagement partner and other key audit partners of an audit engagement are not based on sale of non-audit services to the audit client.

Taking into consideration (i) the above-mentioned safeguards, (ii) a majority of the non-audit fees relates to the proposed acquisition of the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. from RHT AIDigi Financial Holdings Pte. Ltd. (“**RTO**”), which is one-off in nature, and (iii) the audit partner engaged for the audit services and non-audit services are not the same, EY confirmed its independence to act as the external auditors of the Company.

The Audit Committee has reviewed all non-audit services (described above) provided by EY and is of the view that they did not affect the independence and objectivity of EY, as EY has confirmed its compliance with the Singapore Accountants (Public Accountants) Rules in respect of its independence to act as the auditor of the Company.

## **Non-Sponsorship Fees**

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees payable or paid to the Company’s sponsor, ZICO Capital Pte. Ltd., for FY2022.



# REPORT ON CORPORATE GOVERNANCE

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Ms Tan Geok Moey and Mr Henry Tan Song Kok, being the Directors who are retiring and nominated for re-election in accordance with the Company’s Constitution at the forthcoming AGM, is set out below:

Name of Director	Tan Geok Moey	Henry Tan Song Kok
Date of first appointment	15 March 2010	1 January 2020
Date of last re-appointment (if applicable)	27 April 2021	3 June 2020
Age	62	58
Country of principal residence	Singapore	Singapore
The Board’s comments on this re-election (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	<p>The Board of Directors of the Company has accepted and approved the Nominating Committee’s recommendation, who has reviewed and considered Ms Tan Geok Moey’s (“<b>Ms Tan</b>”) contributions and performance as the Non-Independent and Non-Executive Director of the Company, and the diversity of the Board of Directors of the Company with regards to the objectives of the Board Diversity Policy of the Company.</p> <p>Ms Tan, being a member of the Nominating Committee, has abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee and the Board in respect of the assessment of her own performance or re-election as a Director of the Company.</p>	<p>The Board of Directors of the Company has accepted and approved the Nominating Committee’s recommendation, who has reviewed and considered Mr Henry Tan Song Kok’s (“<b>Mr Henry Tan</b>”) contributions and performance as an Independent Director of the Company, and the diversity of the Board of Directors of the Company with regards to the objectives of the Board Diversity Policy of the Company.</p> <p>Mr Henry Tan, being a member of the Nominating Committee, has abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee and the Board in respect of the assessment of his own performance or re-election as a Director of the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title	Non-Independent and Non-Executive Director, member of Audit Committee, Nominating Committee and Remuneration Committee	Lead Independent Director, the Chairman of Audit Committee, and a member of Nominating Committee and Remuneration Committee



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
Professional qualifications	Bachelor of Accountancy from the National University of Singapore	<ul style="list-style-type: none"> <li>• Bachelor of Accountancy from National University of Singapore</li> <li>• Associate Member of the Institute of Internal Auditors</li> <li>• Fellow of Insolvency Practitioners Association of Singapore</li> <li>• Fellow of the Institute of Singapore Chartered Accountants</li> <li>• Fellow of the Institute of Chartered Accountants of Australia and New Zealand</li> <li>• Accredited Tax Advisor (Income Tax) of Singapore Chartered Tax Professionals</li> <li>• Fellow of Singapore Institute of Director</li> <li>• Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers, Singapore</li> <li>• ASEAN Chartered Professional Accountant</li> <li>• ISCA Financial Forensic Professional Credential</li> <li>• Insolvency Practitioner's Licence of Ministry of Law Singapore</li> </ul>
Working experience and occupation(s) during the past 10 years	February 1991 to Present: Director of Tan Gee Beng Private Limited	<p>November 1993 – Present: CLA Global TS Holdings Pte. Ltd. (f.k.a. Nexia TS Pte Ltd), Group Chief Executive Officer and Chief Innovation Officer</p> <p>May 2005 – Present: CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation), Group Chief Executive Officer and Chief Innovation Officer</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Yes</p> <p>As at 21 March 2023:</p> <p>Deemed interest – 57,539,331 ordinary shares of the Company</p>	No



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Ms Tan is a controlling Shareholder of the Company, via her deemed interest in the 57,539,331 ordinary shares of the Company held by Tan Gee Beng Private Limited by virtue of Section 7 of the Companies Act 1967 of Singapore.</p> <p>Ms Tan is also related to the other controlling Shareholders of the Company, namely, Tan Gee Beng Private Limited, Mr Tan Tong Guan (who is also the Executive Chairman and Chief Executive Officer of the Company) and Ms Tan Yoke Hong. Ms Tan is a director of Tan Gee Beng Private Limited, she is the sister of Mr Tan Tong Guan and Ms Tan Yoke Hong.</p>	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	<p><b>Past (for the last 5 years)</b> <u>Directorships</u></p> <ul style="list-style-type: none"> <li>- NZ First Properties Pte. Ltd.</li> </ul> <p><u>Other Principal Commitment</u> Nil</p> <p><b>Present</b> <u>Directorships</u></p> <ul style="list-style-type: none"> <li>- Tan Gee Beng Private Limited</li> <li>- TGB Properties Pte. Ltd.</li> <li>- TGB Properties (NZ) Pte. Ltd.</li> <li>- Wellington First Properties (NZ) Pte. Ltd.</li> <li>- Cosmos Investment Pte Ltd</li> <li>- Tan Gee Beng (Hong Kong) Limited</li> </ul> <p><u>Other Principal Commitment</u> Nil</p>	<p><b>Past (for the last 5 years)</b> <u>Directorship</u></p> <ul style="list-style-type: none"> <li>- Raffles Education Limited</li> <li>- Nexia China Pte. Ltd.</li> <li>- Medallion Asset Management Pte. Ltd.</li> <li>- YHI International Limited</li> <li>- Yinda Infocomm Limited</li> <li>- Wesley Vineyard Childcare Ltd.</li> <li>- NTS Asia Advisory Pte. Ltd.</li> </ul> <p><u>Other Principal Commitment</u></p> <ul style="list-style-type: none"> <li>- Institute of Singapore Chartered Accountants (ISCA) Financial Reporting Committee (Member)</li> <li>- Singapore Chartered Accountancy Qualification Council of Singapore Accountancy Commission (Member)</li> <li>- Investigation and Disciplinary Panel for ISCA (Member)</li> </ul>



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
		<ul style="list-style-type: none"> <li>- Alternate Council Member of Singapore-Sichuan Trade &amp; Investment Committee</li> <li>- Institute of Singapore Chartered Accountants (Council Member)</li> <li>- Singapore Fintech Association (Exco and Treasurer)</li> <li>- Nanyang Business School (NBS) Dean's Alumni Advisory Board (Chairman)</li> <li>- Changing Minds Limited (Voluntary Member of Advisory Board Member)</li> <li>- ASEAN Federation of Accountants (Treasurer)</li> </ul> <p><b>Present</b></p> <p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>- CLA Global Limited</li> <li>- CLA Global TS Holdings Pte. Ltd.</li> <li>- TSA Capital Pte Ltd</li> <li>- CLA Global TS (Shanghai) Co. Ltd</li> <li>- CLA Global TS Public Accounting Corporation</li> <li>- CLA Global TS Risk Advisory Pte. Ltd.</li> <li>- CLA Global TS Tax Services Pte. Ltd.</li> <li>- CLA Global TS Technology Pte. Ltd.</li> <li>- CLA Global TS Advisory Pte. Ltd.</li> <li>- CLA Global TS Advisory Sdn. Bhd.</li> <li>- TSA Recruitment Consultants Pte Ltd</li> <li>- NTS Myanmar Co. Ltd.</li> <li>- 2T Investment Holdings Pte. Ltd.</li> <li>- China New Town Development Co. Ltd</li> <li>- BH Global Corporation Limited</li> <li>- Alpha Singapore</li> <li>- The Methodist Church of Singapore</li> <li>- Methodist Preschool Services Pte. Ltd.</li> <li>- Dyna-Mac Holdings Ltd.</li> </ul>



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
		<ul style="list-style-type: none"> <li>- Penguin International Limited</li> <li>- Trans-China Automotive Holdings Limited</li> </ul> <p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- Trinity Annual Conference of The Methodist Church in Singapore (Lay Leader)</li> <li>- Wesley Methodist Church (Finance Committee Member)</li> <li>- Education Subcommittee on Sustainability Reporting of ISCA (Chairman)</li> <li>- ISCA Corporate Reporting Committee (Member)</li> <li>- The Anglo-Chinese School Foundation (Committee member (Governance Committee))</li> <li>- Singapore Dental Council Complaints Panel (Lay Member)</li> <li>- Dedoco Pte Ltd (Advisor)</li> <li>- National Council of Churches of Singapore (General Committee Member)</li> <li>- Institute of Valuers and Appraisers, Singapore (Council Member)</li> <li>- Sustainability Excellence Sub-Committee of ISCA (Member)</li> <li>- ASEAN Federation of Accountants (Member of AFA Working Committee 2)</li> <li>- Singapore-Jiangsu Cooperation Council (Council Member)</li> </ul>
<p><b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b></p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No





# REPORT ON CORPORATE GOVERNANCE

<b>Name of Director</b>	<b>Tan Geok Moey</b>	<b>Henry Tan Song Kok</b>
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Geok Moey	Henry Tan Song Kok
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No



# REPORT ON CORPORATE GOVERNANCE

<b>Name of Director</b>	<b>Tan Geok Moey</b>	<b>Henry Tan Song Kok</b>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No



# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Asia Vets Holdings Ltd. (the “Company”) and its subsidiary (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

## **Opinion of the directors**

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## **Directors**

The directors of the Company in office at the date of this statement are:

Tan Tong Guan  
Tan Geok Moey  
Kim Seah Teck Kim  
Henry Tan Song Kok

## **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.



# DIRECTORS' STATEMENT

## Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act 1967 an interest in shares of the Company and related corporations (other than wholly owned subsidiary) as stated below:

Name of directors	Number of ordinary shares			
	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
<b>The Company</b>				
Tan Tong Guan <sup>(1)</sup>	1,726,501	1,726,501	57,539,331	57,539,331
Tan Geok Moey <sup>(1)</sup>	–	–	57,539,331	57,539,331
<b>Ultimate holding company</b>				
<b>Tan Gee Beng Pte. Ltd.</b>				
Tan Tong Guan <sup>(2)</sup>	16,975	16,975	7,333	7,333
Tan Geok Moey	11,120	11,120	–	–

<sup>(1)</sup> Tan Tong Guan and Tan Geok Moey are deemed to have an interest in the shares held by Tan Gee Beng Pte. Ltd. by virtue of Section 7 of the Companies Act 1967.

<sup>(2)</sup> Tan Tong Guan is deemed to have an interest in the 7,333 shares held by his spouse.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2023.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## Audit committee

The audit committee ("AC") carried out its functions in accordance with Singapore Companies Act 1967.

The AC, having reviewed all non-audit services provided by the external auditor to the Company, is satisfied that the nature and extent of such services would not affect the independence of external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.



# DIRECTORS' STATEMENT

## **Options**

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tan Tong Guan  
Director

Henry Tan Song Kok  
Director

Singapore  
31 March 2023



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Asia Vets Holdings Ltd. (the “Company”) and its subsidiary (collectively, the “Group”), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Financial Reporting Standards in Singapore (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## Key Audit Matters (Continued)

### Impairment assessment of goodwill and cost of investment in a subsidiary

As at 31 December 2022, goodwill is carried at \$8,404,846 and represents 43% of the Group's total assets. The goodwill arose from the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. (the "subsidiary") and has been allocated to the Group's veterinarian business cash generating unit ("CGU"). In the Company's balance sheet as at 31 December 2022, the Company's cost of investment in the subsidiary is carried at \$3,371,040.

As part of the annual impairment assessment of goodwill, management has determined the recoverable amount of the CGU by estimating value in use based on cash flow projections of the CGU's business. Management has also identified indicators of impairment in respect to the Company's cost of investment in the subsidiary, which led to the determination of the subsidiary's recoverable amount that is based on the CGU's value in use adjusted to arrive at a measurement consistent with the equity nature of the investment in the subsidiary. Due to the significance of judgement exercised in identifying indicators of impairment, forecasting and discounting future cash flows, the heightened level of estimation uncertainty associated with current economic conditions impacted by the Covid-19 pandemic, we have considered the impairment assessment of goodwill and the cost of investment in the subsidiary to be a key audit matter.

We have performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- reviewed management's assessment of whether there is any indication that the Company's cost of investment in the subsidiary may be impaired from both internal and external sources of information and evaluated the relevant indicators of impairment identified by management;
- assessed the valuation methodology used by management in estimating the value in use and evaluated the key assumptions and estimates used by management in forecasting and discounting future cash flows, such as revenue projections, profit margins, long-term growth rate, and discount rate based on our understanding of the business, considering the impact associated with Covid-19 pandemic and making comparison to available economic and financial data;
- considered the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results;
- involved our internal valuation specialists to assess the reasonableness of certain key assumptions such as discount rate and long-term growth rate;
- performed sensitivity analysis on reasonably possible changes in the respective key assumptions to changes in the recoverable amount of the CGU;
- evaluated the appropriateness of the adjustments made to the CGU's value in use to arrive at an estimate of the recoverable amount of the Company's cost of investment in the subsidiary; and
- reviewed the adequacy of the disclosures on the impairment assessment in Note 12 of the financial statements.





# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## Key Audit Matters (Continued)

### Estimation of expected credit loss relating to the Company's amount due from a subsidiary

As at 31 December 2022, the Company has an amount due from a subsidiary of \$4,958,756 that represents 27% of the Company's total assets.

The amount due from a subsidiary is subject to expected credit loss assessments at the reporting date. Due to the significance of judgement exercised in identifying any significant increase in credit risks since initial recognition and/or events of default, estimating the probability of and losses from possible future default, associated forward looking adjustment, and the heightened level of estimation uncertainty associated with current economic conditions impacted by the Covid-19 pandemic, we have considered the estimation of the expected credit loss arising from the amount due from a subsidiary to be a key audit matter.

We have performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- reviewed management's process of monitoring collectability and credit risks (including any significant increase in credit risks) relating to the Company's amount due from a subsidiary, which includes but is not limited to the review of the subsidiary's business performance, historical and future cash flows generating ability of the subsidiary, impact associated with Covid-19 pandemic, and repayments made during the year and up till the date of the financial statements;
- evaluated management assessment of expected credit loss relating to the amount due from a subsidiary that takes into account any significant increase in credit risk since initial recognition, the expected timing and extent of repayment, relevant market rate of interest, and expected default rates and forward looking adjustments based on economic outlook observed from external information sources; and
- Assessed the adequacy of the Company's disclosures on the amount due from a subsidiary and related credit risk information in Note 23(a) to the financial statements.

## Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Teo Li Ling.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

31 March 2023



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022	2021
		\$	\$
<b>Revenue</b>	4	<b>2,421,335</b>	3,065,599
Cost of sales		<b>(1,573,021)</b>	(1,924,525)
<b>Gross profit</b>		<b>848,314</b>	1,141,074
Other operating income	5	<b>113,841</b>	158,385
Administrative expenses		<b>(1,715,409)</b>	(1,584,349)
Other expenses	6	<b>(11,000)</b>	–
Finance expenses		<b>(14,236)</b>	(10,258)
<b>Loss before tax</b>	7	<b>(778,490)</b>	(295,148)
Income tax credit	8	<b>11,538</b>	18,262
<b>Loss for the year, representing total comprehensive income attributable to owners of the Group</b>		<b>(766,952)</b>	(276,886)
<b>Loss per share (in S\$ cents)</b>			
Basic	11	<b>(0.52)</b>	(0.19)
Diluted	11	<b>(0.52)</b>	(0.19)

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		31 December 2022 \$	31 December 2021 \$	31 December 2022 \$	31 December 2021 \$
<b>Non-current assets</b>					
Plant and equipment	9	122,918	152,745	-	-
Right-of-use assets	22	291,022	415,834	-	-
Investment in a subsidiary	10	-	-	3,371,040	4,008,794
Goodwill	12	8,404,846	8,404,846	-	-
Amount due from a subsidiary	13	-	-	4,958,756	6,808,134
		<b>8,818,786</b>	<b>8,973,425</b>	<b>8,329,796</b>	<b>10,816,928</b>
<b>Current assets</b>					
Inventories	14	107,708	104,823	-	-
Trade and other receivables	15	349,085	46,755	311,520	2,977
Prepayment		28,575	25,891	9,716	9,417
Cash and cash equivalents	16	10,098,960	11,096,632	9,999,172	10,963,717
		<b>10,584,328</b>	<b>11,274,101</b>	<b>10,320,408</b>	<b>10,976,111</b>
<b>Total assets</b>		<b>19,403,114</b>	<b>20,247,526</b>	<b>18,650,204</b>	<b>21,793,039</b>
<b>Current liabilities</b>					
Trade payables	17	62,959	49,984	-	-
Other payables and accruals	18	442,800	405,864	160,430	134,188
Lease liabilities	22	185,100	157,438	-	-
		<b>690,859</b>	<b>613,286</b>	<b>160,430</b>	<b>134,188</b>
<b>Net current assets</b>		<b>9,893,469</b>	<b>10,660,815</b>	<b>10,159,978</b>	<b>10,841,923</b>
<b>Non-current liabilities</b>					
Lease liabilities	22	120,270	263,765	-	-
Deferred tax liabilities, net	8	-	11,538	-	-
		<b>120,270</b>	<b>275,303</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>811,129</b>	<b>888,589</b>	<b>160,430</b>	<b>134,188</b>
<b>Net assets</b>		<b>18,591,985</b>	<b>19,358,937</b>	<b>18,489,774</b>	<b>21,658,851</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	19(a)	21,333,219	21,333,219	21,333,219	21,333,219
Capital reserve	19(b)	227,730	227,730	227,730	227,730
Revenue reserve		(2,968,964)	(2,202,012)	(3,071,175)	97,902
<b>Total equity</b>		<b>18,591,985</b>	<b>19,358,937</b>	<b>18,489,774</b>	<b>21,658,851</b>
<b>Total equity and liabilities</b>		<b>19,403,114</b>	<b>20,247,526</b>	<b>18,650,204</b>	<b>21,793,039</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital (Note 19a) \$	Capital reserve (Note 19b) \$	Revenue reserve \$	Total equity \$
<b>Group</b>				
<b>Opening balance at 1 January 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,202,012)</b>	<b>19,358,937</b>
Loss for the year, representing total comprehensive income for the year	–	–	<b>(766,952)</b>	<b>(766,952)</b>
Total comprehensive income for the year	–	–	<b>(766,952)</b>	<b>(766,952)</b>
<b>Closing balance at 31 December 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,968,964)</b>	<b>18,591,985</b>
<b>Opening balance at 1 January 2021</b>	20,776,719	227,730	(1,632,834)	19,371,615
Loss for the year, representing total comprehensive income for the year	–	–	(276,886)	(276,886)
Total comprehensive income for the year	–	–	(276,886)	(276,886)
<u>Contributions by and distributions to owners</u>				
Issuance of new ordinary shares	558,000	–	–	558,000
Share issuance expense	(1,500)	–	–	(1,500)
Dividends on ordinary shares (Note 20)	–	–	(292,292)	(292,292)
Total transactions with owners in their capacity as owners	556,500	–	(292,292)	264,208
<b>Closing balance at 31 December 2021</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,202,012)</b>	<b>19,358,937</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital (Note 19a) \$	Capital reserve (Note 19b) \$	Revenue reserve \$	Total equity \$
<b>Company</b>				
<b>Opening balance at 1 January 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>97,902</b>	<b>21,658,851</b>
Loss for the year, representing total comprehensive income for the year	-	-	<b>(3,169,077)</b>	<b>(3,169,077)</b>
Total comprehensive income for the year	-	-	<b>(3,169,077)</b>	<b>(3,169,077)</b>
<b>Closing balance at 31 December 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(3,071,175)</b>	<b>18,489,774</b>
<b>Opening balance at 1 January 2021</b>	20,776,719	227,730	292,418	21,296,867
Profit for the year, representing total comprehensive income for the year	-	-	97,776	97,776
Total comprehensive income for the year	-	-	97,776	97,776
<u>Contributions by and distributions to owners</u>				
Issuance of new ordinary shares	558,000	-	-	558,000
Share issuance expense	(1,500)	-	-	(1,500)
Dividends on ordinary shares (Note 20)	-	-	(292,292)	(292,292)
Total transactions with owners in their capacity as owners	556,500	-	(292,292)	264,208
<b>Closing balance at 31 December 2021</b>	<b>21,333,219</b>	<b>227,730</b>	<b>97,902</b>	<b>21,658,851</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Loss before tax		(778,490)	(295,148)
Adjustments for:			
Depreciation of plant and equipment	9	84,401	92,536
Depreciation of right-of-use assets	22	175,643	193,319
Loss on disposal of plant and equipment	7	1,050	4,163
Gain on termination of lease		-	(1,898)
Bad debt written-off		28	2,650
Loss on inventory written-off		-	7,515
Interest income	5	(104,577)	(35,568)
Interest expenses		14,236	10,258
Unrealised exchange loss/(gain)		84	(269)
Other income arising from rental relief		-	3,500
<b>Operating cash flows before working capital changes</b>		<b>(607,625)</b>	<b>(25,942)</b>
(Increase)/decrease in inventories		(2,885)	6,353
(Increase)/decrease in trade and other receivables		(283,455)	45,795
(Increase)/decrease in prepayments		(2,684)	12,687
Increase/(decrease) in trade and other payables		49,911	(49,953)
Decrease in deferred government grant		-	(45,544)
<b>Cash used in operations</b>		<b>(846,738)</b>	<b>(56,604)</b>
Interest received		85,674	35,771
Income tax paid		-	(65,599)
<b>Net cash flows used in operating activities</b>		<b>(761,064)</b>	<b>(86,432)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(55,624)	(18,081)
Payment of contingent liabilities		-	(1,302,000)
<b>Net cash flows used in investing activities</b>		<b>(55,624)</b>	<b>(1,320,081)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	22	(166,664)	(187,242)
Interest paid		(14,236)	(10,258)
Share issuance expense		-	(1,500)
Dividends paid		-	(292,292)
<b>Net cash flows used in financing activities</b>		<b>(180,900)</b>	<b>(491,292)</b>
Net decrease in cash and cash equivalents		(997,588)	(1,897,805)
Cash and cash equivalents at beginning of year	16	11,096,632	12,994,168
Effect of exchange rate changes on cash and cash equivalent		(84)	269
<b>Cash and cash equivalents at end of year</b>	16	<b>10,098,960</b>	<b>11,096,632</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 1. CORPORATE INFORMATION

Asia Vets Holdings Ltd. (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The Company is considered to be a de facto subsidiary of Tan Gee Beng Pte. Ltd. In this connection, the immediate and ultimate holding company of the Company is Tan Gee Beng Pte. Ltd., which is incorporated in Singapore.

The registered office and principal place of business of the Company is located at 95 Amoy Street, Singapore 069915.

The principal activity of the Company is investment holding. The principal activities of the subsidiary are disclosed in Note 10 to the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”), except when otherwise indicated.

### 2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
SFRS(I) 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements: Non-current liabilities with covenants</i>	1 January 2024
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Basis of consolidation and business combinations (Continued)

#### (b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit (CGU) that is expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company and its subsidiary's functional currency.

#### Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiary and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

### 2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Veterinary and medical equipment	–	7 years
Office and other equipment	–	7 years
Computer and software	–	3 years
Furniture and fixtures	–	7 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiary are accounted for at cost less impairment losses.

### 2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit and loss.

### 2.9 Financial instruments

#### (a) *Financial assets*

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Financial instruments (Continued)

#### (a) Financial assets (Continued)

##### Subsequent measurement

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The financial assets of the Group are measured at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

#### (b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

##### (i) Amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical loss rate of trade receivables, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group may also consider a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and fixed deposits with banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Veterinarian supplies: purchase costs on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.14 Employees benefits

#### (a) *Defined contribution plan*

The Group makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

### 2.15 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) *Veterinary services*

The Group provides veterinary treatments to various kind of pets which include consultation and surgery & procedures.

Revenue from the rendering of services are recognised when the services are rendered to the customer at a point in time upon the completion of the services.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.15 Revenue (Continued)

#### (b) *Sales of veterinary medicines and products*

Revenue from sale of veterinary medicines and products are recognised when control of the goods has been transferred to the customer at a point in time. Control is transferred upon the transfer of significant risk and rewards of ownership of the goods, which generally coincides with the delivery of goods.

The amount of revenue recognised is based on the transaction price, net of discount. The Group does not have variable consideration such as right of returns, refunds or volume rebates.

#### (c) *Interest income*

Interest income is recognised using the effective interest method.

### 2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

### 2.17 Taxes

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Taxes (Continued)

#### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Taxes (Continued)

(c) *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

### 2.18 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.19 Segmental reporting

The Group operate in Singapore in one business segment, that of provision of veterinary services and sales of veterinary medicines and products to the customers in Singapore.

No geographical segment information has been prepared as the Group's assets and operations are all located in Singapore.

### 2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

The Group has applied the amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to Covid-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Properties	–	2 to 3 years
------------	---	--------------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Leases (Continued)

(a) *As lessee (Continued)*

#### Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### (a) Impairment assessment of goodwill

As disclosed in Note 12 to the financial statements, the recoverable amount of the CGU which goodwill has been allocated to is determined based on value in use calculation. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 12 to the financial statements.

The carrying amount of the goodwill as at 31 December 2022 is disclosed in Note 12.

#### (b) Impairment of investment in and loan to a subsidiary

An impairment exists when the carrying value of an investment in a subsidiary exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the annual growth rate of the business, the budgeted gross profit margin, the discount rate and the terminal growth rate used for the discounted cash flow model. The carrying amount of the investment as at 31 December 2022 is disclosed in Note 10.

The loan to a subsidiary is subject to expected credit loss ("ECL") assessment at year end. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the actual default in the future. The information about the ECL on the loan due from a subsidiary is disclosed in Note 23(a).

## 4. REVENUE

This represents revenue from rendering of veterinary services and sales of veterinary medicines and products.

	Group	
	2022	2021
	\$	\$
Veterinary services	<b>1,082,584</b>	1,490,662
Sales of veterinary medicines and products	<b>1,338,751</b>	1,574,937
Total revenue recognised at point in time	<b>2,421,335</b>	3,065,599

The revenues are all generated from a single operating segment in Singapore.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5. OTHER OPERATING INCOME

	Group	
	2022	2021
	\$	\$
Interest income from financial institutions	104,577	35,568
Government grants	9,260	122,522
Foreign exchange gain	-	269
Miscellaneous income	4	26
	<b>113,841</b>	<b>158,385</b>

Government grants in 2021 relates mainly to Covid-19 relief measures and support comprising the Job Support Scheme (“JSS”) grants and Rental Support Scheme (“RSS”) grants.

JSS provides wage support to employers to help them retain their local employees during the period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the pay-outs under the scheme.

RSS provides rental support to eligible Small and Medium Enterprises (“SMEs”) who are tenant-occupiers for certain period for qualifying commercial properties.

## 6. OTHER EXPENSES

	Group	
	2022	2021
	\$	\$
Donations to the approved Institution of a Public Character (“IPC”)	11,000	-

## 7. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2022	2021
	\$	\$
Professional fees <sup>1</sup>	387,595	129,720
Loss on disposal of plant and equipment	1,050	4,163
Depreciation of plant and equipment	84,401	92,536
Depreciation of right-of-use assets	175,643	193,319
Inventories recognised as an expense in cost of sales	698,231	851,042
Bad debt written off	28	2,650
Loss on inventory written off	-	7,515
Employee benefits expense:		
– Salaries and bonuses	1,286,800	1,548,810
– Directors’ fees	145,911	138,500
– Employer’s contributions to Central Provident Fund	153,205	158,842

<sup>1</sup> On 30 December 2021, the Company has entered into a sales and purchase agreement to acquire the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. (the “Target”) from RHT AIDigi Financial Holdings Pte. Ltd. (the “Vendor”) (the “Proposed Acquisition”).

During the financial year, as part of the Proposed Acquisition, the Company recognised professional fees amounted to S\$289,640 based on services received from the professional firms.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8. INCOME TAX CREDIT

### (a) Major components of income tax credit

The major components of income tax credit for the years ended 31 December are:

	Group	
	2022	2021
	\$	\$
Current income tax		
– Under provision in respect of previous year	–	153
Deferred income tax		
– Origination temporary differences	(11,538)	(18,415)
Income tax credit recognised in profit or loss	<u>(11,538)</u>	<u>(18,262)</u>

### (b) Relationship between tax credit and accounting loss

A reconciliation between the tax credit and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 December are as follows:

	Group	
	2022	2021
	\$	\$
Loss before tax	<u>(778,490)</u>	<u>(295,148)</u>
Income tax at statutory rate of 17% (2021: 17%)	(132,343)	(50,175)
Adjustments:		
Income not subjected to taxation	(41,272)	(76,642)
Non-deductible expenses	136,047	108,402
Unrecognised deferred tax assets	26,030	–
Underprovision in respect of previous years	–	153
Income tax credit recognised in profit or loss	<u>(11,538)</u>	<u>(18,262)</u>

No deferred tax asset has been recognised in the financial statements due to the uncertainty of future taxable profits to realise the tax benefits. The Group has unrecognised tax losses of \$266,865 (2021: \$45,875) and capital allowances of \$25,483 (2021: \$10,700) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8. INCOME TAX CREDIT (CONTINUED)

### (c) *Deferred taxation*

Deferred income tax as at 31 December relates to the following:

	Group			
	Balance sheet		Statement of comprehensive income	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Deferred tax liabilities:</b>				
Differences in depreciation for tax purposes	(15,944)	(21,738)	(5,794)	(10,403)
<b>Deferred tax assets:</b>				
Provisions	1,838	2,016	178	172
Unutilised tax loss	14,106	8,184	(5,922)	(8,184)
Net deferred tax liabilities	-	(11,538)		
<b>Deferred tax credit</b>			<b>(11,538)</b>	<b>(18,415)</b>

## 9. PLANT AND EQUIPMENT

	Veterinary and medical equipment \$	Office and other equipment \$	Computer and software \$	Furniture and fixtures \$	Total \$
<b>Group</b>					
<b>Cost:</b>					
At 1 January 2021	483,922	5,565	39,154	10,997	539,638
Additions	-	-	18,081	-	18,081
Disposals	-	-	(2,213)	(4,864)	(7,077)
At 31 December 2021 and 1 January 2022	483,922	5,565	55,022	6,133	550,642
Additions	24,835	4,945	7,044	18,800	55,624
Disposals	(2,599)	-	(6,825)	(1,800)	(11,224)
At 31 December 2022	506,158	10,510	55,241	23,133	595,042
<b>Accumulated depreciation:</b>					
At 1 January 2021	278,401	1,880	21,625	6,369	308,275
Charge for the year	78,598	795	12,672	471	92,536
Disposals	-	-	(922)	(1,992)	(2,914)
At 31 December 2021 and 1 January 2022	356,999	2,675	33,375	4,848	397,897
Charge for the year	68,346	1,031	13,743	1,281	84,401
Disposals	(2,599)	-	(6,825)	(750)	(10,174)
At 31 December 2022	422,746	3,706	40,293	5,379	472,124
<b>Net carrying amount:</b>					
At 31 December 2021	126,923	2,890	21,647	1,285	152,745
At 31 December 2022	83,412	6,804	14,948	17,754	122,918



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 10. INVESTMENT IN A SUBSIDIARY

	Company	
	2022	2021
	\$	\$
Shares, at cost	100	100
Additional investment in a subsidiary*	4,294,059	2,082,813
Transaction cost relating to the acquisition	1,925,881	1,925,881
Allowance for impairment loss	(2,849,000)	–
	<b>3,371,040</b>	<b>4,008,794</b>

\* The additional investment arose from the difference between the transaction price and the fair value of the interest free loan to the subsidiary. The fair value of the loan is estimated by discounting future cash flows at prevailing market rate. During the current financial year, the movement is mainly due to changes in loan repayment periods (Note 13).

As at the end of the reporting period, the Company carried out a review of the investment in subsidiary, having regard for indicators of impairment on investment in subsidiary based on the existing performance of subsidiary. Following the review, an impairment loss of approximately S\$2,849,000 (2021: Nil) was recognised for the subsidiary for the current financial year. The estimated recoverable amount of the impaired subsidiary of \$3,371,040 (2021: \$4,008,794) was determined from value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years and projected to terminal year. The key assumptions for these value-in-use calculations are those regarding the discount rates and revenue growth rates disclosed in Note 12.

Details of the Company's subsidiary at 31 December are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Principal activities	2022	2021
			%	%
<b>Held by the Company</b>				
AVH Animal Ark Pte.Ltd. <sup>1</sup>	Singapore	Own and operate veterinary clinics	100%	100%

<sup>1</sup> Audited by Ernst & Young LLP, Singapore

### Acquisition of a subsidiary

In 2017, the Company entered into a sale and purchase agreement with Hu Zhi Investments Limited (the "Hu Zhi") and David Wendy Karl Jenkins in relation to the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. (the "Subsidiary") ("Acquisition"). On 13 August 2018, the Subsidiary completed the Acquisition by obtaining a loan of \$5,680,726 (Note 13) from the Company to finance the acquisition of the relevant businesses and assets (consisting of moveable plant and equipment, inventories and cash and cash equivalents) of the following entities.

- (i) The Animal Ark (TCM) Pte. Ltd.;
- (ii) The Animal Ark (Tampines) Pte. Ltd.;
- (iii) The Animal Ark (Binjai) Pte. Ltd.;
- (iv) The Animal Ark Pte. Ltd. (collectively, the "Animal Ark Group").



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 10. INVESTMENT IN A SUBSIDIARY (CONTINUED)

### Acquisition of a subsidiary (Continued)

In consideration for the Acquisition, the Company shall pay to Hu Zhi, an aggregate purchase consideration of \$9,300,000. The purchase consideration consists of 80% of initial payout and 20% of retention sum. The purchase consideration shall be fully satisfied by 70% in cash and 30% via the issuance and allotment of the Company's shares.

The initial payout and retention sum of the purchase consideration is as follows:

#### (a) Initial payout

- (i) 56% of the purchase consideration to be settled via cash immediately upon completion; and
- (ii) 24% of the purchase consideration to be paid via the issuance and allotment of the new shares of the Company.

#### (b) Retention sum

- (i) 14% of the purchase consideration to be paid in cash and which shall be held in escrow by the Company for the retention period of 30 months after the completion date (the "Retention Period") and the average earnings before interest and tax (the "EBIT") determination period being 20 days after the expiry of the Retention Period (the "Average EBIT Determination Period"); and
- (ii) 6% of the purchase consideration to be paid via the issuance and allotment of the new shares of the Company at an issue price based on the 10-day volume-weighted average price of the Company's shares prior to the 30-month anniversary of the completion date.

### Contingent consideration arrangement

The retention sum will be adjusted based on the following adjustment mechanism:

- (a) If the EBIT (on an annualised basis) derived from the business and assets of the Company over the Retention Period (the "Average EBIT") is less than the agreed EBIT as specified in the Sales and Purchase Agreement (the "Agreed EBIT"), Hu Zhi shall fully indemnify the Company for the difference between the Average EBIT and the Agreed EBIT by way of adjustment of the retention sum to be paid by the Company to Hu Zhi at the end of the Average EBIT Determination Period. The retention sum shall be adjusted downwards proportionately in accordance with the mechanism specified in the Sales and Purchase Agreement to reflect the lower EBIT, provided that in all circumstances, the amount to be adjusted shall be capped at the retention sum.
- (b) If the Average EBIT is more than 105% of the Agreed EBIT, the retention sum to be paid at the end of the Average EBIT Determination Period shall be increased proportionally in accordance with the mechanism specified in the Sales and Purchase Agreement to account for any additional average EBIT (on an annualised basis) exceeding 105% of the Agreed EBIT.

The contingent consideration was settled in March 2021 at \$1,860,000. The Group settled 30% of the contingent consideration by the issuance and allotment of new shares of the Company at \$558,000 on 11 March 2021 and the remaining 70% by cash at \$1,302,000 on 10 March 2021.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2022	2021
	\$	\$
Loss for the year attributable to owners of the Group used in the computation of basic and diluted loss per share	<b>(766,952)</b>	(276,886)
Weighted average number of ordinary shares for basic loss per share computation ('000)	<b>146,146</b>	144,761
Loss per share (in S\$ cents)	<b>(0.52)</b>	(0.19)
Weighted average number of ordinary shares for diluted loss per share computation ('000)	<b>146,146</b>	144,761
Diluted loss per share (in S\$ cents)	<b>(0.52)</b>	(0.19)

## 12. GOODWILL

	Group	
	2022	2021
	\$	\$
<b>Cost:</b>		
1 January and 31 December	<b>8,404,846</b>	8,404,846

### **Impairment testing of goodwill**

Goodwill acquired from the Acquisition had been allocated to one CGU, AVH Animal Ark Pte. Ltd., for impairment testing. The recoverable amount has been determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flow projections beyond five-year period are as follows:

	2022	2021
Revenue growth rate	5.00% – 21.50%	7.30% – 14.00%
Terminal growth rate	1.50%	1.70%
Budgeted gross margin	35.00 – 37.00%	41.40%
Pre-tax discount rate	10.00%	10.50%



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12. GOODWILL (CONTINUED)

### *Impairment testing of goodwill (Continued)*

#### Key assumptions used in the value in use calculations

The calculations of value in use are most sensitive to the following assumptions:

Revenue growth rates – The forecasted growth rates are based on management’s expectations with reference to the historical trends.

Terminal growth rate – Management estimates terminal growth rate reflects current market assessment of the time value of money and the risks specific to the CGUs.

Budgeted gross profit margin – Gross margin of 35.00% for FY2023 to FY2024 and 37.00% for FY2025 to FY2027 (2021: 41.40% applied over the 5 years period) based historical gross profit margins.

Post-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

#### Sensitivity to changes in assumptions

With regards to the assessment of value in use for the veterinary business, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

## 13. AMOUNT DUE FROM A SUBSIDIARY

	<b>Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current:</b>		
Loans due from subsidiary at cost <sup>1</sup>	<b>5,060,756</b>	6,808,134
Allowance for expected credit loss <sup>2</sup>	<b>(102,000)</b>	–
	<b>4,958,756</b>	6,808,134

1 This represents the loan obtained from the Company to finance the Acquisition on 13 August 2018. The loan due from subsidiary is unsecured, interest-free and repayable in August 2023 and March 2026. In 2022, the Board has approved the extension of the repayment dates to 2030 and 2031, respectively. All amounts are expected to be settled in cash.

2 The impairment assessment has been performed for the amount due from subsidiary using the three-stage expected credit loss (“ECL”) model. Following the review, an ECL allowance of \$102,000 (31 December 2021: Nil) is recognised.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14. INVENTORIES

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Balance sheets</b>				
Veterinarian supplies	<b>107,708</b>	104,823	-	-
<b>Consolidated statement of comprehensive income</b>				
Inventories recognised as an expense in cost of sales	<b>698,231</b>	851,042	-	-

## 15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
Trade receivables	<b>1,881</b>	4,538	-	-
Interest receivable from financial institutions	<b>21,880</b>	2,977	<b>21,880</b>	2,977
Sundry deposits	<b>34,670</b>	35,740	-	-
Other receivables	<b>290,654</b>	3,500	<b>289,640</b>	-
Total trade and other receivables	<b>349,085</b>	46,755	<b>311,520</b>	2,977
Add:				
Cash and bank deposits (Note 16)	<b>10,098,960</b>	11,096,632	<b>9,999,172</b>	10,963,717
Amount due from a subsidiary (Note 13)	-	-	<b>4,958,756</b>	6,808,134
Total financial assets carried at amortised cost	<b>10,448,045</b>	11,143,387	<b>15,269,448</b>	17,774,828

### Trade receivables

Trade receivables are unsecured, non-interest bearing and are normally settled on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Other receivables

Other receivables relate to the professional fees incurred for the Proposed Acquisition which will be reimbursed from the Vendor.

### Expected credit losses

No allowance for expected credit losses are recognised as the historical default rate and forward-looking information result in insignificant expected credit losses (Note 23(a)).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
Cash at banks and on hand	<b>1,309,289</b>	2,387,600	<b>1,209,501</b>	2,254,685
Fixed deposits with banks	<b>8,789,671</b>	8,709,032	<b>8,789,671</b>	8,709,032
Cash and bank deposits	<b>10,098,960</b>	11,096,632	<b>9,999,172</b>	10,963,717
Cash and cash equivalents in statement of cash flows	<b>10,098,960</b>	11,096,632	<b>9,999,172</b>	10,963,717

### **Cash at banks**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

### **Fixed deposits with banks**

Fixed deposits with banks are made for varying periods of between one and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2022 for the Group was 1.17% (2021: 0.32%).

Included in cash and cash equivalents at 31 December are the following foreign currency denominated balances:

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
United States Dollar	<b>13,431</b>	13,515	<b>13,431</b>	13,515

## 17. TRADE PAYABLES

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
Trade payables	<b>62,959</b>	49,984	-	-

Trade payables are non-interest bearing and are normally settled between 1 and 60 days' terms.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
Accrued operating expenses	<b>398,342</b>	375,447	<b>155,111</b>	134,160
Other payables	<b>19,787</b>	2,383	<b>5,319</b>	28
GST payables, net	<b>24,670</b>	28,034	-	-
Other payables and accruals	<b>442,799</b>	405,864	<b>160,430</b>	134,188
Less: GST payables, net	<b>(24,670)</b>	(28,034)	-	-
Total financial liabilities carried at amortised cost	<b>418,129</b>	377,830	<b>160,430</b>	134,188

The balances relate to non-trade payables to third parties. They are non-interest bearing and are normally settled on 30 to 60 days' term.

## 19. SHARE CAPITAL AND RESERVES

### (a) Share capital

	2022		2021	
	No. of shares '000	\$	No. of shares '000	\$
At 1 January	<b>146,146</b>	21,333,219	<b>138,928</b>	20,776,719
Issuance of new ordinary shares – Deferred Considerations Shares	-	-	<b>7,218</b>	558,000
Transaction costs for issued share capital	-	-	-	(1,500)
At 31 December	<b>146,146</b>	21,333,219	<b>146,146</b>	21,333,219

On 11 March 2021, the authorised share capital was increased by \$558,000 by the issue of 7,217,694 ordinary shares of \$0.07731 per share as settlement of the contingent consideration. The contingent consideration arrangement is disclosed in Note 10.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

### (b) Capital reserve

Capital reserve represents the value ascribed to the bonus issue warrants and will be transferred to the share capital account when the bonus issue warrants are exercised. The balance as at year end is net of subscription fee and issuance expenses.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 20. DIVIDENDS

	2022 \$	2021 \$
<b>Dividends paid during the financial year:</b>		
<i>Dividends on ordinary shares:</i>		
– Tax exempt (one-tier) dividend for 2021: Nil (2020: 0.2 cents per share)	–	292,292
	–	292,292

## 21. RELATED PARTY TRANSACTIONS

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
<b>Compensation of key management personnel</b>				
Short-term employee benefits	<b>568,237</b>	679,397	–	–
Central Provident Fund contributions	<b>42,726</b>	46,388	–	–
Directors' fees	<b>145,911</b>	138,500	<b>103,541</b>	100,000
	<b>756,874</b>	864,285	<b>103,541</b>	100,000
<i>Comprise amounts paid to:</i>				
Directors	<b>473,679</b>	457,728	<b>103,541</b>	100,000
Other key management personnel	<b>283,195</b>	406,557	–	–
	<b>756,874</b>	864,285	<b>103,541</b>	100,000



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 22. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

*Group as a lessee*

The Group has lease contracts for its office and veterinary clinics. These leases have an average tenure of between one to three years. There are no restrictions placed upon the Group by entering into these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Properties \$</b>
<b>Cost:</b>	
At 1 January 2021	603,016
Additions	458,271
Disposals	<u>(556,806)</u>
At 31 December 2021 and 1 January 2022	504,481
Additions	50,831
Disposals	<u>(46,210)</u>
At 31 December 2022	<u>509,102</u>
<b>Accumulated depreciation:</b>	
At 1 January 2021	319,105
Charge for the year	193,319
Disposal	<u>(423,777)</u>
At 31 December 2021 and 1 January 2022	88,647
Charge for the year	175,643
Disposal	<u>(46,210)</u>
At 31 December 2022	<u>218,080</u>
<b>Net carrying amount:</b>	
At 31 December 2021	<u>415,834</u>
At 31 December 2022	<u>291,022</u>

Set out below are the carrying amounts of lease liabilities, movements during the period and reconciliation of liability arising from the Group's financing activity:

	<b>2022 \$</b>	<b>2021 \$</b>
<b>At 1 January</b>	<b>421,203</b>	288,601
Additions	<b>50,831</b>	458,271
Disposal	–	(134,927)
Accretion of interest	<b>14,236</b>	10,258
Rental relief	–	(3,500)
Payments		
– Principal	<b>(166,664)</b>	(187,242)
– Interest	<b>(14,236)</b>	(10,258)
	<b>(180,900)</b>	(197,500)
<b>At 31 December</b>	<b>305,370</b>	421,203
Current	<b>185,100</b>	157,438
Non-current	<b>120,270</b>	263,765
	<b>305,370</b>	421,203



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 22. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

*Group as a lessee (Continued)*

The following are the amounts recognised in profit or loss:

	2022 \$	2021 \$
Depreciation expense of right-of-use assets	175,643	193,319
Interest expense on lease liabilities	14,236	10,258
	<b>189,879</b>	<b>203,577</b>

The Group had total cash outflow for leases of \$180,900 (2021: \$197,500) in 2022.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leases portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The management reviews and agrees policies and procedures for managing each of these risks. It is, and has been throughout the period under review, the Group and the Company's policy that no trading in derivative financial instruments shall be undertaken. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis by the Group.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 30 days' when they fall due, which are derived based on the Group's historical information. A significant increase in credit risk is presumed if a debtor is more than 30 days' past due in making contractual payment.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days' past due. Financial assets are written-off when there is no reasonable expectation of recovery, such as a debtor failing to engagement in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

#### (i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to years past due. The loss allowance as at 31 December 2022 and 31 December 2021 are determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

	<b>Gross carrying amount \$</b>	<b>Loss allowance provision \$</b>
<b>31 December 2022</b>		
Trade receivables		
Current	<b>1,844</b>	-
1 to 30 days	<b>37</b>	-
31 to 60 days	-	-
Total	<b>1,881</b>	-
<b>31 December 2021</b>		
Trade receivables		
Current	3,992	-
1 to 30 days	339	-
31 to 60 days	207	-
Total	4,538	-

Based on the expected credit losses assessment, there is no trade receivables that are impaired at the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

(ii) Amount due from a subsidiary

	2022 \$	2021 \$
Amount due from a subsidiary		
Gross carrying amount	5,060,756	6,808,134
Expected credit loss allowance	(102,000)	–
Net carrying amount	<u>4,958,756</u>	<u>6,808,134</u>

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using the three-stage expected credit loss (“ECL”) model. Following the review, an ECL allowance of \$102,000 (31 December 2021: Nil) is recognised.

#### *Exposure to credit risk*

At the end of the reporting period, the Group’s maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheets.

The Group has no significant concentrations of credit risk.

The Group’s major class of financial assets is cash and cash equivalents.

Cash and cash equivalents are mainly deposits placed with reputable banks with high credit-ratings and subject to immaterial loss.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group’s and the Company’s financial instruments will fluctuate because of changes in market interest rates. The Group’s and the Company’s exposure to interest rate risk arises primarily from their interest-bearing bank deposits.

#### *Sensitivity analysis for interest rate risk*

The following table demonstrates the sensitivity of interest rates by 50 (2021: 50) basis points lower/higher with all other variables held constant on the Group’s profit before tax as a result of change in interest rates on floating rate bank balances.

	Decrease/(increase) Profit before tax	
	2022 \$	2021 \$
Increase by 50 basis points (2021: 50 basis points)	43,948	43,545
Decrease by 50 basis points (2021: 50 basis points)	<u>(43,948)</u>	<u>(43,545)</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) *Liquidity risk*

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and Company's objective is to maintain a balance between continuity of funding through the use of working capital.

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayments obligations.

	2022			
	Carrying amount \$	Contractual cash flows \$	One year or less \$	More than one year \$
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	349,085	349,085	349,085	-
Cash and cash equivalents	10,098,960	10,098,960	10,098,960	-
Total undiscounted financial assets	<u>10,448,045</u>	<u>10,448,045</u>	<u>10,448,045</u>	<u>-</u>
<b>Financial liabilities:</b>				
Trade payables	62,959	62,959	62,959	-
Other payables and accruals (exclude GST payable, net)	418,129	418,129	418,129	-
Lease liabilities (Note 22)	305,370	315,900	194,400	121,500
Total undiscounted financial liabilities	<u>786,458</u>	<u>796,988</u>	<u>675,488</u>	<u>121,500</u>
Total net undiscounted financial assets/(liabilities)	<u>9,661,587</u>	<u>9,651,057</u>	<u>9,772,557</u>	<u>(121,500)</u>
<b>Company</b>				
<b>Financial assets:</b>				
Trade and other receivables	5,270,276	8,139,579	311,520	7,828,059
Cash and cash equivalents	9,999,172	9,999,172	9,999,172	-
Total undiscounted financial assets	<u>15,269,448</u>	<u>18,138,751</u>	<u>10,310,692</u>	<u>7,828,059</u>
<b>Financial liabilities:</b>				
Other payables and accruals (exclude GST payable, net)	160,430	160,430	160,430	-
Total undiscounted financial liabilities	<u>160,430</u>	<u>160,430</u>	<u>160,430</u>	<u>-</u>
Total net undiscounted financial assets	<u>15,109,018</u>	<u>17,978,321</u>	<u>10,150,262</u>	<u>7,828,059</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) *Liquidity risk (Continued)*

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount \$	2021		More than one year \$
		Contractual cash flows \$	One year or less \$	
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	46,755	46,755	46,755	–
Cash and cash equivalents	11,096,632	11,096,632	11,096,632	–
Total undiscounted financial assets	11,143,387	11,143,387	11,143,387	–
<b>Financial liabilities:</b>				
Trade payables	49,984	49,984	49,984	–
Other payables and accruals (exclude GST payable, net)	377,830	377,830	377,830	–
Lease liabilities (Note 22)	421,203	442,500	171,000	271,500
Total undiscounted financial liabilities	849,017	870,314	598,814	271,500
Total net undiscounted financial assets/(liabilities)	10,294,370	10,273,073	10,544,573	(271,500)
<b>Company</b>				
<b>Financial assets:</b>				
Trade and other receivables	6,811,111	7,609,947	2,977	7,606,970
Cash and cash equivalents	10,963,717	10,963,717	10,963,717	–
Total undiscounted financial assets	17,774,828	18,573,664	10,966,694	7,606,970
<b>Financial liabilities:</b>				
Other payables and accruals (exclude GST payable, net)	134,188	134,188	134,188	–
Total undiscounted financial liabilities	134,188	134,188	134,188	–
Total net undiscounted financial assets	17,640,640	18,439,476	10,832,506	7,606,970



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 24. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 15), cash and cash equivalents (Note 16), trade payables (Note 17) and other payables and accruals (Note 18).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

### (c) Assets not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Company's liability not measured at fair value but for which fair value is disclosed:

	<b>Company</b>	
	<b>Significant observable inputs other than quoted prices (Level 2) \$</b>	<b>Carrying amount (net of ECL) \$</b>
<b>31 December 2022</b>		
<b>Assets:</b>		
Amount due from a subsidiary	<b>5,798,818*</b>	<b>4,958,756</b>
<b>31 December 2021</b>		
<b>Assets:</b>		
Amount due from a subsidiary	5,976,882	6,808,134

\* The fair value as disclosed in the table above is estimated using the present values of future cash flows, discounted at market interest rate for similar type of loan.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 25. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2022.

## 26. AUTHORISATION OF FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of directors on 31 March 2023.



# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2023

## SHARE CAPITAL

Issued and Fully Paid-up Capital	:	S\$21,650,919
Number of Issued Shares	:	146,145,696
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Tan Gee Beng Private Limited	57,539,331	39.37	–	–
Tan Tong Guan <sup>(1)</sup>	1,726,501	1.18	57,539,331	39.37
Tan Geok Moey <sup>(1)</sup>	–	–	57,539,331	39.37
Tan Yoke Hong <sup>(1)</sup>	–	–	57,539,331	39.37
Tan Ah Chew <sup>(2)</sup>	8,845,000	6.05	290,000	0.20
Lin Chung Chieh Eugene (Lin Zhongjie Eugene) <sup>(3)</sup>	7,514,847	5.14	7,514,847	5.14
Poh E-lynn Elaine (Fu Yilin Elaine) <sup>(3)</sup>	7,514,847	5.14	7,514,847	5.14

### Notes:-

- <sup>(1)</sup> Each of Mr Tan Tong Guan, Ms Tan Geok Moey and Ms Tan Yoke Hong is deemed to have an interest in the 57,539,331 shares held by Tan Gee Beng Private Limited by virtue of Section 7 of the Companies Act 1967 of Singapore.
- <sup>(2)</sup> Mr Tan Ah Chew is deemed to have an interest in the 290,000 shares held by his spouse.
- <sup>(3)</sup> Dr Lin Chung Chieh Eugene (Lin Zhongjie Eugene) is deemed to have an interest in the 7,514,847 shares held by his spouse, Ms Poh E-lynn Elaine (Fu Yilin Elaine) and *vice versa*. 3,906,000 shares of each of Dr Lin Chung Chieh Eugene (Lin Zhongjie Eugene) and Ms Poh E-lynn Elaine (Fu Yilin Elaine) are held through DBS Nominees (Private) Limited.

## SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 21 March 2023 and to the best knowledge of the Directors of the Company, approximately 42.91% of the issued ordinary shares of the Company are held in the hands of the public, as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”). Accordingly, the Company is in compliance with Rule 723 of the Catalist Rules, which requires at least 10% of the equity securities to be in the hands of the public.



# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2023

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.27	82	0.00
100 – 1,000	126	34.15	118,000	0.08
1,001 – 10,000	99	26.83	634,345	0.43
10,001 – 1,000,000	129	34.96	16,542,671	11.32
1,000,001 AND ABOVE	14	3.79	128,850,598	88.17
<b>TOTAL</b>	<b>369</b>	<b>100.00</b>	<b>146,145,696</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TAN GEE BENG PRIVATE LTD	57,539,331	39.37
2	UOB KAY HIAN PRIVATE LIMITED	15,562,637	10.65
3	DBS NOMINEES (PRIVATE) LIMITED	11,882,234	8.13
4	TAN AH CHEW	8,845,000	6.05
5	DB NOMINEES (SINGAPORE) PTE LTD	8,095,900	5.54
6	GOLDHILL PARTNERS PTE LTD	6,390,000	4.37
7	NG ENG SENG	4,480,001	3.07
8	LIN CHUNG CHIEH EUGENE (LIN ZHONGJIE EUGENE)	3,608,847	2.47
9	POH E-LYNN ELAINE (FU YILIN ELAINE)	3,608,847	2.47
10	TAN BOON KIAT VINCENT (CHEN WENJIE VINCENT)	2,511,800	1.72
11	TOO BEE FERN	1,764,700	1.21
12	TAN WAN LING (CHEN WANREN)	1,750,000	1.20
13	TAN TONG GUAN	1,726,501	1.18
14	LYE IR-WIN BRUCE	1,084,800	0.74
15	OCBC SECURITIES PRIVATE LIMITED	864,700	0.59
16	LOW EE HWEE	750,000	0.51
17	LI HUNG	750,000	0.51
18	TAN CHIEW KUI	650,000	0.44
19	JAMES ALVIN LOW YIEW HOCK	518,000	0.35
20	TAN KOON HUA (CHEN KUNHUA)	490,000	0.34
<b>TOTAL</b>		<b>132,873,298</b>	<b>90.91</b>



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of ASIA VETS HOLDINGS LTD. (the “**Company**”) will be held at YMCA @ One Orchard, 1 Orchard Road, Singapore 238824 on Wednesday, 26 April 2023 at 3:00 p.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Ms Tan Geok Moey, a Director of the Company who is retiring pursuant to Regulation 95 of the Constitution of the Company and who, being eligible, offers herself for re-election, as a Director of the Company. **(Resolution 2)**  
*[See Explanatory Note (i)]*
3. To re-elect Mr Henry Tan Song Kok, a Director of the Company who is retiring pursuant to Regulation 95 of the Constitution of the Company and who, being eligible, offers himself for re-election, as a Director of the Company. **(Resolution 3)**  
*[See Explanatory Note (ii)]*
4. To approve the payment of Directors’ fees of S\$145,911 for the financial year ended 31 December 2022 (2021: S\$138,500). **(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP, Public Accountants and Chartered Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without any modifications, the following resolution as an Ordinary Resolution:

### 7. **AUTHORITY TO ISSUE SHARES**

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,  
  
at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,



# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares,

and provided that adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting by ordinary resolution, such authority shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

**(Resolution 6)**

[See Explanatory Note (iii)]

By Order of the Board

Siau Kuei Lian  
Company Secretary  
Singapore, 11 April 2023



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Ms Tan Geok Meoy will, upon re-election as a Director of the Company, remain as the Non-Independent and Non-Executive Director of the Company, a member of the Audit Committee, the Nominating Committee and the Remuneration Committee of the Company. Ms Tan Geok Meoy is considered non-independent by the Board of Directors of the Company pursuant to 704(7) of the Catalist Rules. Please refer to pages 57 to 65 of the Report on Corporate Governance in the Annual Report 2022 for the detailed information of Ms Tan Geok Meoy as required pursuant to Rule 720(5) of the Catalist Rules. Key information of Ms Tan Geok Meoy can also be found under the sections entitled "Directors Profile" and "Directors' Statement" of the Annual Report 2022.
- (ii) Mr Henry Tan Song Kok will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, the Chairman of the Audit Committee as well as a member of the Nominating Committee and the Remuneration Committee of the Company. Mr Henry Tan Song Kok is considered independent by the Board of Directors of the Company pursuant to Rule 704(7) of the Catalist Rules. There are no relationships (including immediate family relationships) between Mr Henry Tan Song Kok and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence. Please refer to pages 57 to 65 of the Report on Corporate Governance in the Annual Report 2022 for the detailed information of Mr Henry Tan Song Kok as required pursuant to Rule 720(5) of the Catalist Rules. Key information of Mr Henry Tan Song Kok can also be found under the section entitled "Directors Profile" of the Annual Report 2022.
- (iii) Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, or exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

## Notes:

1. The Annual General Meeting of the Company will be held, in a wholly physical format at YMCA @ One Orchard, 1 Orchard Road, Singapore 238824, on Wednesday, 26 April 2023 at 3:00 p.m. (the "**AGM**") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for members to participate virtually.** Printed copies of documents relating to the business of the AGM, which comprise the Company's annual report for the financial year ended 31 December 2022 as well as this Notice of AGM and the accompanying proxy form for the AGM will not be sent to members of the Company. Instead, such documents will be sent to members of the Company solely by electronic means via publication on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at the URL <http://asiavets.com/investor-relations/>.
2. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, prior to the AGM, all questions must be submitted by no later than 9:00 a.m. on 19 April 2023 through any of the following means:
  - (a) by email to [general@asiavets.com](mailto:general@asiavets.com); or
  - (b) by post and lodging the same at the registered office of the Company at 21 Bukit Batok Crescent, #29-84 Wcega Tower, Singapore 658065.

and provide the following particulars, for verification purpose:

- full name as it appears on his/her/its CDP and/or SRS share records;
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which you hold in the Company (e.g. via CDP and/or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, member may also ask question during the AGM.



# NOTICE OF ANNUAL GENERAL MEETING

3. The Company will endeavour to address all substantial and relevant questions received from shareholders by 21 April 2023, 3:00 p.m., being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGX-ST's website and the Company's corporate website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements/>; and (ii) the Company's corporate website at the URL <http://asiavets.com/investor-relations/>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.
4. A member of the Company (other than a Relevant Intermediary\*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.
5. Where a member of the Company (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
6. A member who is a Relevant Intermediary\* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
  8. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:
    - (a) by email to [general@asiavets.com](mailto:general@asiavets.com); or
    - (b) by depositing a hard copy by post at the registered office of the Company at 21 Bukit Batok Crescent, #29-84 Wcega Tower, Singapore 658065.

in either case, by no later than 3:00 p.m. on 23 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the proxy form for the AGM shall not be treated as valid.

9. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his/her vote(s) at the AGM. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least 7 working days before the AGM (i.e. by 5:00 p.m. on 14 April 2023).
10. This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Catalist Rules.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Leong Huey Miin, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



# ASIA VETS HOLDINGS LTD.

(Company Registration No. 201003501R)  
(Incorporated in the Republic of Singapore)

## PROXY FORM FOR ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. The Annual General Meeting of the Company to be held on Wednesday, 26 April 2023, 3:00 p.m. is being convened, and will be held at YMCA @ One Orchard, 1 Orchard Road, Singapore 238824. There will be no option for members to participate virtually. Printed copies of the Notice of AGM and this accompanying proxy form for the AGM ("**Proxy Form**") will not be sent to members of the Company. Instead, the Notice of AGM and this Proxy Form will be sent to members of the Company by electronic means via publication on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at the URL <http://asiavets.com/investor-relations/>.
2. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his/her vote(s) at the AGM in person. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least 7 working days before the AGM (i.e. by 5:00 p.m. on 14 April 2023).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration No.)  
Of \_\_\_\_\_ (Address)  
being a \*member/members of Asia Vets Holdings Ltd. (the "**Company**"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Annual General Meeting of the Company (the "**AGM**") as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the AGM to be held at YMCA @ One Orchard, 1 Orchard Road, Singapore 238824 on Wednesday, 26 April 2023, 3:00 p.m. and at any adjournment thereof.

\*I/We direct the \*my/our \*proxy/proxies, to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

All Resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022, together with the Independent Auditor's Report thereon			
2	Re-election of Ms Tan Geok Moey as a Director of the Company			
3	Re-election of Mr Henry Tan Song Kok as a Director of the Company			
4	Approval of the payment of Directors' fees amounting to S\$145,911 for the financial year ended 31 December 2022			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company and authority to the Directors of the Company to fix their remuneration			
6	Authority to issue shares in the capital of the Company			

\* Delete as appropriate

\*\* If you wish your proxy/proxies to exercise all your votes 'For' or 'Against' or 'Abstain' from voting a resolution, please tick (✓) within the box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate in the relevant box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Member(s)  
and/or Common Seal of Corporate Member



**Notes:**

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.
3. Where a member of the Company (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
4. A member who is a Relevant Intermediary\* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
  6. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:
    - (a) by email to [general@asiavets.com](mailto:general@asiavets.com);
    - (b) by depositing a hard copy by post at the registered office of the Company at 21 Bukit Batok Crescent, #29-84 Wcega Tower, Singapore 658065.in either case, by no later than 3:00 p.m. on 23 April 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the proxy form for the AGM shall not be treated as valid.
  7. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his/her vote(s) at the AGM. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least 7 working days before the AGM (i.e. by 5:00 p.m. on 14 April 2023).

**General:**

The Company shall be entitled to reject the instrument appointing proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy(ies). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing proxy(ies) lodged if the member of the Company, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) or the Chairman of the Meeting as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2023.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Tan Tong Guan	Executive Chairman and CEO
Tan Geok Moey	Non-Executive Director
Henry Tan Song Kok	Lead Independent Director
Kim Seah Teck Kim	Independent Director

## AUDIT COMMITTEE

Henry Tan Song Kok	Chairman
Tan Geok Moey	Member
Kim Seah Teck Kim	Member

## NOMINATING COMMITTEE

Kim Seah Teck Kim	Chairman
Tan Geok Moey	Member
Henry Tan Song Kok	Member

## REMUNERATION COMMITTEE

Kim Seah Teck Kim	Chairman
Tan Geok Moey	Member
Henry Tan Song Kok	Member

## COMPANY SECRETARY

Siau Kuei Lian

## REGISTERED OFFICE

95 Amoy Street  
Singapore 069915  
Tel: (65) 6253 3540  
Fax: (65) 6253 3591  
Email: [general@asiavets.com](mailto:general@asiavets.com)  
[www.asiavets.com](http://www.asiavets.com)

## SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

## SPONSOR

ZICO Capital Pte. Ltd.  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

## AUDITORS

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

Partner-in-charge: Teo Li Ling  
(a member of the Institute of Singapore  
Chartered Accountants)  
(date of appointment: since financial year ended  
31 December 2021)

## PRINCIPAL BANKERS

CIMB Bank Berhad  
United Overseas Bank Limited



ASIA VETS HOLDINGS LTD.

(Company Registration No. 201003501R)

95 Amoy Street, Singapore 069915

T: +65 6253 3540 F: +65 6253 3591

Email: [general@asiavets.com](mailto:general@asiavets.com)

[www.asiavets.com](http://www.asiavets.com)