ASIA VETS HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201003501R)

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE REGULATION ON 17 JUNE 2021

The board of directors (the "**Board**") of Asia Vets Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") sets out its response to the following queries raised by the Singapore Exchange Regulation on 17 June 2021, in relation to the Company's announcement dated 16 June 2021 ("**Announcement**") on the cessation of Dr Lin Chung Chieh Eugene ("**Dr Eugene Lin**") as a key executive officer of the Company ("**Resignation**").

Dr Eugene Lin is the founder, Medical Director and General Manager of AVHAA. According to his service agreement with AVHAA (as stated in the VSA Shareholders' Circular), he is responsible for the overall operations of AVHAA (which is the core operating business of the Group) , such as overseeing its strategic development and expansion in the veterinary business, and will act as AVHAA's principal veterinary surgeon developing the medical protocols, providing guidance and leadership on performance guidelines in relation to service excellence by all the clinics under the Target, and overseeing the activities of the veterinarians and clinical staff of the Target's clinics, including the recruiting and training processes. Accordingly, Dr Eugene Lin is a key management / executive officer of the Company.

Query 1. In view Dr Eugene Lin's key role in the Group's operations,

(a) Who will be taking over his roles?

(b) Who are the other veterinarians and medical directors in the Group?

(c) Has the Company identified a suitable replacement? What is the Company's progress on this matter?

(d) In the event the Company is unable to appoint a suitable replacement by 12 Sept 2021 (Effective date of Dr Eugene Lin's cessation), what are the Company's plans?

(e) Please provide more details on the Company's succession plans and any impact on the Group's operations.

Company's Response

(a) The management of the Company has commenced the search for a suitable replacement for Dr Eugene Lin. The Company is considering both external and internal candidates, including the current Assistant Medical Director of AVH Animal Ark Pte. Ltd. ("**AVH Animal**") whom the management of the Company has identified as a suitable replacement for Dr Eugene Lin. The Company will continue the search process and finalise the appointment of a suitable candidate before the effective date of Resignation of Dr Eugene Lin on 12 September 2021, and update shareholders of the Company accordingly.

(b) As at the date of this announcement, excluding Dr Eugene Lin, there are one (1) Assistant Medical Director and two (2) veterinary surgeons working in the two (2) clinics currently operating by the Group. All of them have been working in AVH Animal since the completion by the Company of the very substantial acquisition of all the issued and fully paid-up shares in the capital of AVH Animal ("**Acquisition**") on 13 August 2018 ("**Completion**").

The Assistant Medical Director has over eight (8) years of experience as a veterinary surgeon working in three (3) other clinics before AVH Animal, and has been working with Dr Eugene Lin since September 2018.

Out of the two (2) veterinary surgeons, (i) one has over twenty (20) years of experience as a veterinary surgeon working in two (2) other clinics before AVH Animal, and has been working with Dr Eugene Lin since December 2013; and (ii) the other has over nine (9) years of experience as a veterinary surgeon working in two (2) other clinics before AVH Animal, and has been working with Dr Eugene Lin since April 2013.

(c) Please refer to the Company's response to Query 1(a) above.

(d) Please refer to the Company's response to Query 1(a) above.

(e) As part of the Company's succession plans, the management of the Company has, in May 2021, appointed one of the Group's veterinary surgeons as the Assistant Medical Director to assist Dr Eugene Lin in his role and responsibilities as the Medical Director and General Manager of AVH Animal.

Based on the relevant experience and credentials of the current veterinarian team of the Group (excluding Dr Eugene Lin), the Company is of the view that the Resignation has minimal impact on the Group's operations and upon the effective date of the Resignation, the Group will be able to operate as per normal without any disruption to its current operations.

Query 2. The reason for Dr Eugene Lin's resignation is "to take a break and pursue personal interests after working as a veterinary surgeon for 20 years." - Has there been any disagreements or unresolved differences between Dr Eugene Lin and the Company's Board since the completion of the VSA, that will have a material impact on the operations or financials or financial reporting of the Group? If so, pls provide details.

Company's Response

There is no disagreement or unresolved difference between Dr Eugene Lin and the Board or the management of the Company since the Completion.

Query 3. When did / will the service agreement between Dr Eugene Lin and AVHAA expire? Are there any non-competition clause in the service agreement?

Company's Response

There is no expiry date to the service agreement dated 28 May 2018 entered into between Dr Eugene Lin and AVH Animal ("**Service Agreement**").

As set out under section 4.4(D) entitled "Information on the Enlarged Group – Directors and Management of the Enlarged Group – Service Agreement with Dr Eugene Lin" of the Company's circular to shareholders dated 29 June 2018 ("**Circular**") in relation to, *inter alia*, the Acquisition, by way of the Service Agreement, which takes effect from Completion, Dr Eugene Lin will commit to an employment period of at least 30 months following Completion (being 13 August 2018) ("**Initial Employment Period**"), with automatic renewals for successive periods of 36 months thereafter on the same terms unless otherwise agreed in writing between the Company and Dr Eugene Lin or terminated in accordance with the Service Agreement. The Initial Employment Period ends on 12 February 2021.

The Service Agreement also provides for, *inter alia*, use of intellectual property, certain restrictive covenants (including non-compete obligation), and grounds of termination.

As set out under section 4.4(D) of the Circular, pursuant to the Service Agreement, Dr Eugene Lin shall not, and shall procure to the best of his efforts that his associates shall not do or permit certain actions, including:

(a) at any time during the period of the employment and for a period of two (2) years after the expiry or termination of the employment for whatever reason, either on his own account or for any other person, directly or indirectly, solicit, interfere with, or persuade any person who is or was a customer, distributor or agent of AVH Animal or in the habit of dealing with AVH Animal during the period of 24 months preceding the expiration or termination of the employment, to cease doing business with AVH Animal or reduce the amount of business which the customer would normally do with AVH Animal prior to the expiration or termination of the employment;

(b) during the period of employment, either alone or jointly with or as a manager, agent for or employee of any person, directly or indirectly carry on or be engaged or concerned or interested (whether as a consultant, employee, director, partner, adviser, agent, trustee, shareholder or in any other capacity) in any business similar to AVH Animal's business, and for a period of two (2) years after the expiry or termination of the employment for whatever reason, either alone or jointly with or as a manager, agent for or employee of any person, directly or indirectly carry on or be engaged or concerned or interested (whether as a consultant, employee, director, partner, adviser, agent, trustee, shareholder or in any other capacity) in any business similar to AVH Animal's business within a 5 km radius of any of the clinics operated by AVH Animal, save that the aforementioned restrictions shall not apply to (i) Dr Eugene Lin holding less than five per cent (5%) of the issued shares or debentures of any company listed on any recognised stock exchange that is in competition with AVH Animal's business; and (ii) Dr Eugene Lin conducting such commercial, academic, journalistic, charitable and/or other activities on an ad-hoc basis, as informed to and agreed to by the Company prior to such engagement; and

(c) at any time during the period of the employment and for a period of two (2) years after the expiry or termination of the employment for whatever reason, solicit, encourage or entice away any employee of AVH Animal, unless the prior written approval of AVH Animal is obtained.

Please refer to the Circular for more information on the Service Agreement.

By Order of the Board

Tan Tong Guan
Executive Chairman and CEO

18 June 2021

*This announcement 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 ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

The contact person for the Sponsor is Ms. Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.