

RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS FOR ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2024

The Board of Directors (“**Board**”) of Asia Vets Holdings Ltd. (“**Company**”) and together with its subsidiaries, the “**Group**”) refers to the questions raised from shareholders of the Company in relation to the Company’s annual general meeting for the financial year ended 31 December 2023 and appends the replies as follows:

Question 1

Page 3 - Chairman highlighted shortage of vets and rising cost globally and therefore, the company suffered loss again and gross margin eroded.

(a) Can the Board share on what plans to address these 'sticky issues' affecting the company?

Company’s response:

*Since the beginning of 2021, the Group has made several efforts to retain and attract qualified veterinarian surgeons and nurses such as restructuring the pay scheme and working hours, improving working environment, offering training sponsorship, engaging interns from local polytechnics and universities, and broadening recruitment channels and we will continue to do so. This has been disclosed in the section “**Moving Forward**” of the Chairman’s Statement & Financial Review on page 5 of the Company’s annual report for financial year ended 31 December 2023 (“**Annual Report 2023**”).*

(b) (i) Has the Board studied the demand elasticity for Vet services in Singapore?

Company’s response:

The Board has not conducted any studies on demand elasticity for vet services in Singapore.

(ii) Can we raise price to meet our rising expenses?

Company’s response:

In addition to costs and expenses, the Management also takes into consideration market conditions, competitors’ price and value proposition when making pricing decisions. Pricing is reviewed regularly and adjustments are considered as needed.

(c) (i) Is the pet food segment very competitive in Singapore?

Company’s response:

Currently our clinics are only selling veterinary prescribed pet food which is specially formulated for pets with medical conditions. Therefore, the Company is not in the position to comment on the general pet food segment in Singapore.

(ii) *Can we influence the pricing?*

Company's response:

The Company is not able to influence pricing of the pet food segment in Singapore as the Company is not predominantly involved in pet food business.

Question 2

Page 98 - Revenue drivers

Has the Board explored other revenue drivers? For example, pet grooming courses/program, pet cafe, etc?

Company's response:

Our current focus remains on operating veterinary clinics and there are currently no plans to explore other pet related business.

Question 3

Page 105 - Operating expenses

(a) Can the Board share what is the audit fee? Is it lumped in the Professional fees? Is there any non-audit fee paid to the Company Auditor? Is there any non-audit fee paid to other auditors engaged?

Company's response:

*The audit and non-audit fees have been disclosed in the section "**Fees Paid to External Auditors**" of the Report on Corporate Governance on page 71 of the Annual Report 2023.*

(b) Has the Board seriously reviewed the costs and expenses of the company? With a stagnant revenue every year, is there any cost/expenses rationalisation done? When was the last time the Board reviewed it?

Company's response:

The Group would need to incur necessary costs and expenses to maintain its service standards and product quality. The Board conducts regular reviews of the Group's costs and expenses, with the last review conducted in February 2024. The Company has also taken steps to manage its costs and expenses such as negotiating prices with suppliers and streamlining of its processes and workflows to enhance efficiency.

Question 4

Can the Lead ID – Henry Tan comment on the following:

(a) reasonableness of the Audit fee and non-audit fee paid to Company Auditor?

Company's response:

The Audit Committee has reviewed, and considered the amount of audit fees and non-audit fees paid to the Company's auditor to be reasonable taking into account amongst others, the scope of work, the complexity of the Group's business or transaction, and the number and experience of the audit staff assigned to the Group's audit and non-audit work.

- (b) Why is the audit fee/non audit fee not separately presented in AR? Or please refer me to the page in AR where these are shown?

Company's response:

Please refer to the section "**Fees Paid to External Auditors**" in the Report on Corporate Governance on page 71 of the Annual Report 2023.

- (c) For a company this size, do you need 2 IDs, which 50% of the whole Board?

Company's response:

Please refer to the section "**Proportion of Independent Directors**" in the Report on Corporate Governance on page 52 of the Annual Report 2023.

- (d) The Director fees \$135K in Resolution 4 - is the fee reasonable for 2 IDs & 1 non-ED for a company this size?

Company's response:

The Directors' fees are determined by the Board, after the recommendation by the Remuneration Committee, based on their contribution, and taking into consideration factors such as effort, time spent and responsibilities of the Non-Independent and Non-Executive Director, and the Independent Directors. The Remuneration Committee also takes into account market norms for directors' fees. Accordingly, the Remuneration Committee considers the Directors's fees of \$135,000 to be reasonable. Please refer to the section "**Policy in respect of remuneration for Non-Executive Directors**" in the Report on Corporate Governance on page 60 of the Annual Report 2023.

By Order of the Board

Tan Tong Guan
Executive Chairman and Chief Executive Officer

18 April 2024

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 Catalyst.

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.

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