

**PROPOSED ACQUISITION OF ALDIGI HOLDINGS PTE. LTD.
– THIRD SUPPLEMENTAL AGREEMENT TO THE SPA**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Asia Vets Holdings Ltd. (the “**Company**”), and together with its subsidiaries, the “**Group**”) refers to (i) the Company’s announcement dated 30 December 2021 on the entry of the conditional sale and purchase agreement (the “**SPA**”) with RHT AIDigi Financial Holdings Pte. Ltd. (the “**Vendor**”) and AIDigi Holdings Pte. Ltd. (the “**Target**”) on 30 December 2021 in relation to the sale and purchase of the entire issued and paid-up share capital of the Target (the “**Proposed Acquisition**”), (ii) the Company’s announcement dated 28 April 2022 regarding the seeking of consent from the Company relating to the Incorporations, the issuance of Consideration Shares to the Advisor, and the entry into a supplemental agreement to the SPA in relation to the same, (iii) the Company’s announcement dated 5 August 2022 regarding the attainment of consent from the Company with respect to the Incorporation (iv) the Company’s announcement dated 30 November 2022 regarding the Extension of the CP Fulfilment Date and the Cost-sharing Arrangement, and entry into a second supplemental agreement to the SPA in relation to the same, and (v) the Company’s announcement dated 14 December 2022 regarding the VCC Incorporations (collectively, the “**Announcements**”).

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Announcements.

2. THIRD SUPPLEMENTAL AGREEMENT TO THE SPA

The Board wishes to announce that the Company, Vendor, and the Target (collectively, the “**Parties**”) have, on 29 November 2023, entered into a third supplemental agreement to the SPA (the “**Third Supplemental Agreement**”) to take into account the Parties’ intentions and agreement in relation to the Updated Consideration Mechanism, the Capital Reduction, the Updated Cost-sharing Arrangement, and the Extension of the Amended CP Fulfilment Date (each term as respectively defined in paragraphs 2.1, 2.2, 2.3, and 2.4 below).

2.1. Updated Consideration Mechanism

The Parties have agreed to amend the existing Clauses 2.1 and 2.2 of the SPA to reflect that the aggregate consideration of up to Singapore Dollars Forty-Five Million (S\$45,000,000) (the “**Consideration**”) for the Proposed Acquisition, such Consideration determined on arm’s length negotiations between the Parties on a willing buyer willing seller basis with reference to the Indicative Equity Value (as defined below), shall comprise two components (the “**Updated Consideration Mechanism**”), namely:

- (i) an initial consideration of S\$28,200,000 (the “**Initial Consideration**”), and
- (ii) an additional deferred payment of up to S\$16,800,000 (the “**Earnout Consideration**”).

As set out in paragraph 2.10(c) of the Company's announcement dated 30 December 2021, For the purpose of the Proposed Acquisition, the Company had commissioned an independent valuer, Chay Corporate Advisory Pte. Ltd, ("**Independent Valuer**") to provide an independent valuation report of 100% equity interest in the Target.

Based on the preliminary indicative valuation provided by the Independent Valuer, the equity value of 100% equity interest in Target is S\$28,218,813 (the "**Indicative Equity Value**").

In relation to the Earnout Consideration, the Parties have agreed as follows:

- (a) the Parties shall, after the audited accounts of the Target Group for the financial years ending 31 December 2024, 31 December 2025 and 31 December 2026 (or for such other financial period(s) or such other date(s) as the Parties may agree in writing) become available, commission updated valuation report(s) in respect of the Target prepared by an independent valuer that is reasonably satisfactory to the Parties ("**Updated Independent Valuation Report**");
- (b) upon and subject to the equity value of the Target stated in the Updated Independent Valuation Report meeting or exceeding S\$45,000,000 (the "**Forecasted Value**"), the Vendor shall be entitled to the maximum Earnout Consideration of S\$16,800,000;
- (c) in the event that the equity value of the Target stated in the Updated Independent Valuation Report falls below the Forecasted Value, the Earnout Consideration amount shall be adjusted proportionally, provided always that the Parties may subsequently at any time during the Earnout Period (as defined below) commission further Updated Independent Valuation Report(s), and where the equity value of the Group stated in such Updated Independent Valuation Report(s) meets or exceeds the Forecasted Value, the Vendor shall be entitled to the balance amount of the Earnout Consideration;
- (d) for the avoidance of doubt, notwithstanding anything in the SPA and the Third Supplemental Agreement, (i) the Earnout Consideration payable to the Vendor shall not exceed S\$16,800,000, and (ii) no further Consideration Shares will be allotted or issued after the Earnout Period; and
- (e) for the purposes herein, "**Earnout Period**" shall mean the period commencing on the Completion Date and ending on 30 June 2027 (or such other date(s) as the Parties may agree in writing).

The Consideration shall be satisfied as follows:

- (a) in respect of the Initial Consideration, the allotment and issuance of up to 210,206,784 Consideration Shares in the Company representing approximately 59% of the enlarged issued and paid-up share capital of the Company immediately following Completion to the Vendor (or as it may direct), the Convertible Loan Holders, the Key Appointment Holders, the Independent Directors, and the remaining shareholders of the Target respectively, in proportion to their respective shareholdings, on Completion at the Issue Price of approximately \$0.13415 per Consideration Share (on a pre-Proposed Share Consolidation basis); and
- (b) in respect of the Earnout Consideration, in one or several tranches during the Earnout Period, the allotment and issuance of such number of Consideration Shares in the Company to the Vendor (or as it may direct), the Convertible Loan Holders, the Key

Appointment Holders, the Independent Directors, and the remaining shareholders of the Target respectively, in proportion to their respective shareholdings, with an aggregate value equivalent to the relevant amount of the Earnout Consideration as determined in accordance with the foregoing at the Issue Price of approximately \$0.13415 per Consideration Share (subject to adjustments after the Proposed Share Consolidation) and as illustrated in Schedule 1 hereto.

The number of Consideration Shares to be issued and allotted and/or the Issue Price are calculated and stated on the basis of the issued and paid-up share capital of the Company prior to the Proposed Share Consolidation. Where any Consideration Shares are to be issued and allotted after the Proposed Share Consolidation, the necessary adjustments will be made to the number of Consideration Shares (on a post-consolidation basis) and/or the Issue Price.

For illustrative purposes, the total number of Consideration Shares to be issued and allotted based on the equity value of the Target achieved as a proportion of the Forecasted Value are as set out in Schedule 1 hereto.

2.2. Capital Reduction

The Parties have further agreed that new Clauses 6.15A, 6.15B and 6.15C shall be inserted into the SPA to reflect that Parties undertake to carry out a capital reduction exercise of the Company (the "**Capital Reduction**"), by which the Company shall be entitled to make a distribution to shareholders pursuant to such capital reduction exercise ("**Distribution to Shareholders**"), provided always that (A) such Distribution to Shareholders shall not result in the cash remaining in the bank account of the Company decreasing below \$5,000,000 ("**Minimum Amount**"), notwithstanding that the date of completion of the Capital Reduction may fall after the Completion Date, and (B) the record date for determining the entitlement of the shareholders of the Company to the Distribution to Shareholders pursuant to the Capital Reduction will be a date prior to the Completion Date, and accordingly, only the shareholders of the Company prior to the Completion Date shall be entitled to any Distribution to Shareholders pursuant to the Capital Reduction.

Notwithstanding paragraph 2.3 below, the Parties have agreed that all costs and expenses to be incurred for the Capital Reduction shall not be paid out of or deducted from the Minimum Amount.

In the event that the approval and confirmation by the High Court of Singapore of the Capital Reduction (the "**Court Order**") is not obtained and/or the Capital Reduction is not effected for any reason whatsoever, the Parties undertake that they shall, and shall procure that all relevant parties, take all such steps and actions as shall be necessary in order to ensure that the relevant sum equivalent to the amount of the Distribution to Shareholders may be distributed to the shareholders of the Company, including without limitation through another capital reduction exercise and/or a share buyback exercise to be undertaken by the Company.

2.3. Updated Cost-sharing Arrangement

In relation to the costs and expenses incurred in relation to or in connection with the Proposed Acquisition, the Parties have further agreed that (the "**Updated Cost-sharing Arrangement**"):-

- (a) save for the Additional Costs (as defined below), all costs and expenses including any professional fees payable or incurred in relation to or in connection with the negotiation, preparation and execution of the SPA and for the undertaking of the Contemplated Transactions (as defined in the SPA) shall be shared between the Target and the Company in equal proportions (50%: 50%);

- (b) the additional expenses attributable to the extension of the date set out in Clause 3.4 of the SPA from 30 November 2022 to the Completion Date or 30 June 2024, whichever is the earlier (the “**Additional Costs**”) will be shared by the Target and the Company in the following manner (the “**Agreed Proportion for the Additional Costs**”):
 - (i) 85% of the Additional Costs shall be borne by the Target; and
 - (ii) 15% of the Additional Costs shall be borne by the Company;
- (c) the additional expenses incurred for the preparation and finalisation of the Third Supplemental Agreement shall be fully borne by the Target;
- (d) the Expenses and the Additional Costs shall be paid by the Company but the Company shall be entitled to deduct the Expenses and Additional Costs to be borne by the Target under Clause 9.6 of the SPA from the Minimum Amount referred to in paragraph 2.2 above; and
- (e) the expenses for the Capital Reduction which shall not be deducted from the Minimum Amount, shall be fully borne by the Company.

In the event the Proposed Acquisition or Contemplated Transactions (as defined in the SPA) cannot be completed due to circumstances beyond the control of the Parties, the aforesaid Expenses and Additional Costs shall continue to be borne by the Target and the Company in the Agreed Proportion (namely, in the proportion of 50:50) and the Agreed Proportion for the Additional Costs respectively.

2.4. **Extension of the Amended CP Fulfilment Date**

The Board wishes to further announce that the Parties have agreed to extend the date by which the conditions precedent set out in Clause 3.1 of the SPA (the “**Conditions Precedent**”) must be satisfied or waived.

The Parties have agreed that the date set out in Clause 3.4 of the SPA as extended by the Second Supplemental Agreement will be further extended from 30 November 2023 to 30 June 2024, or such other date that the Parties may agree upon in writing prior to 30 June 2024 (the “**Extension of the Amended CP Fulfilment Date**”).

3. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

To the best of the knowledge of the Board: (i) none of the Directors (other than in his capacity as Director or Shareholder of the Company, as the case may be) has any interest, direct or indirect in the abovementioned matters, other than through their respective shareholding interests in the Company (if any); and (ii) there are no substantial Shareholders in the Company who have any interest, direct or indirect, in relation to the abovementioned matters.

4. **DOCUMENTS FOR INSPECTION**

A copy of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 95 Amoy Street, Singapore 069915 for three (3) months from the date of this announcement:

- (i) the SPA;
- (ii) the First Supplemental Agreement;
- (iii) the Second Supplemental Agreement; and
- (iv) the Third Supplemental Agreement.

5. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Vendor and the Company. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Group, and the Directors are not aware of any facts the omission of which would make this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
Tan Tong Guan
Executive Chairman and Chief Executive Officer
29 November 2023

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 (the "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.

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.

SCHEDULE 1

The table below has been prepared for illustrative purposes, on the assumption that the existing issued and paid-up share capital of the Company comprises 146,145,696 ordinary shares. The number of Consideration Shares set out below are calculated on the basis of the existing issued and paid-up share capital of the Company prior to the Proposed Share Consolidation.

Equity value of Target	Total Consideration Shares	Enlarged issued and paid-up share capital of the Company (number of ordinary shares)
S\$28,200,000	210,206,784	356,352,480
S\$30,000,000	223,624,238	369,769,934
S\$35,000,000	260,894,944	407,040,640
S\$40,000,000	298,165,651	444,311,347
S\$45,000,000	335,436,357	481,582,053