Asia Vets Holdings Ltd. and its subsidiary

Condensed interim financial statements
for the six months ended 30 June 2025

*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		Group		
	Note	**1H2025***	**1H2024***	**Increase / (decrease)**
		$'000	$'000	%
		(Unaudited)	(Unaudited)	
Revenue	4	1,156	1,364	(15)
Cost of sales		(837)	(913)	(8)
Gross profit		319	451	(29)
Other operating income		159	218	(27)
Administrative expenses		(802)	(826)	(3)
Other expenses		(4,000)	-	N.M.
Finance expenses		(9)	(2)	>100
Loss before tax	**6, 6.1**	(4,333)	(159)	>100
Income tax expenses	7	-	-	-
Loss for the period, representing total comprehensive income attributable to owners of the Company		**(4,333)**	**(159)**	**>100**
Loss per share (in $ cents)	8			
Basic		(2.96)	(0.11)	
Fully diluted		(2.96)	(0.11)	

N.M. denotes Not Meaningful

* "**1H2025**" denotes six months ended 30 June 2025 and "**1H2024**" denotes six months ended 30 June 2024.

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at		As at	
		30/6/2025	31/12/2024	30/6/2025	31/12/2024
		$'000	$'000	$'000	$'000
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets					
Plant and equipment	10	482	528	-	-
Right-of-use assets		357	500	-	-
Investment in a subsidiary	11	-	-	-	471
Goodwill	12	3,005	7,005	-	-
Loans due from a subsidiary	13	-	-	-	3,841
		3,844	8,033	-	4,312
Current assets					
Inventories		95	83	-	-
Trade and other receivables	14	74	717	-	2,034
Prepayments		40	32	6	3
Cash and cash equivalents		8,131	8,101	7,960	7,904
		8,340	8,933	7,966	9,941
Total assets		**12,184**	**16,966**	**7,966**	**14,253**
Current liabilities					
Trade payables		36	48	-	-
Other payables and accruals		229	519	83	209
Lease liabilities		246	288	-	-
		511	855	83	209
Net current assets		**7,829**	**8,078**	**7,883**	**9,732**
Non-current liabilities					
Lease liabilities		134	239	-	-
		134	239	-	-
Total liabilities		**645**	**1,094**	**83**	**209**
Net assets		**11,539**	**15,872**	**7,883**	**14,044**
Share capital	16(a)	21,333	21,333	21,333	21,333
Capital reserve	16(b)	228	228	228	228
Revenue reserve		(10,022)	(5,689)	(13,678)	(7,517)
Total equity		**11,539**	**15,872**	**7,883**	**14,044**
Total equity and liabilities		**12,184**	**16,966**	**7,966**	**14,253**

C. Condensed interim statements of changes in equity

Group	Share Capital	Capital Reserves	Revenue Reserves	Total Equity
	$'000	$'000	$'000	$'000
Opening balance at 1 January 2025 (audited)	21,333	228	(5,689)	15,872
Loss for the period, representing total comprehensive income for the period	-	-	(4,333)	(4,333)
Closing balance at 30 June 2025 (unaudited)	21,333	228	(10,022)	11,539
Opening balance at 1 January 2024 (audited)	21,333	228	(3,713)	17,848
Loss for the period, representing total comprehensive income for the period	-	-	(159)	(159)
Closing balance at 30 June 2024 (unaudited)	21,333	228	(3,872)	17,689

C. Condensed interim statements of changes in equity (cont'd)

Company	**Share Capital** $'000	**Capital Reserves** $'000	**Revenue Reserves** $'000	**Total Equity** $'000
Opening balance at 1 January 2025 (audited)	21,333	228	(7,517)	14,044
Loss for the period, representing total comprehensive income for the period	-	-	(6,161)	(6,161)
Closing balance at 30 June 2025 (unaudited)	21,333	228	(13,678)	7,883
Opening balance at 1 January 2024 (audited)	21,333	228	(3,820)	17,741
Loss for the period, representing total comprehensive income for the period	-	-	(461)	(461)
Closing balance at 30 June 2024 (unaudited)	21,333	228	(4,281)	17,280

D. Condensed interim consolidated statement of cash flows

	Group	
	1H2025	**1H2024**
	$'000	$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Loss before tax	(4,333)	(159)
Adjustments for:		
Depreciation of plant and equipment	51	20
Depreciation of right-of-use assets	143	91
Loss on disposal of plant and equipment	1	-
Allowance for goodwill impairment loss	4,000	-
Interest income	(138)	(148)
Interest expense	9	2
Unrealised exchange loss/(gain)	1	-*
Operating cash flows before working capital changes	(266)	(194)
Increase in inventories	(12)	(2)
Decrease/(increase) in trade and other receivables	561	(338)
Increase in prepayments	(8)	-
(Decrease)/increase in trade and other payables	(302)	133
Cash used in operations	(27)	(401)
Interest received	221	99
Net cash flows generated from/(used in) operating activities	**194**	**(302)**
Cash flows from investing activity		
Purchase of plant and equipment	(7)	(12)
Net cash flows used in investing activity	**(7)**	**(12)**
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(147)	(97)
Interest paid	(9)	(2)
Net cash flows used in financing activities	**(156)**	**(99)**
Net increase/(decrease) in cash and cash equivalents	31	(413)
Cash and cash equivalents at beginning of the period	8,101	9,010
Effect of exchange rate changes on cash and cash equivalents	(1)	-*
Cash and cash equivalents at end of the period	**8,131**	**8,597**

** Between $500 and ($500)*

E. Notes to the condensed interim consolidated financial statements

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 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 11 to the condensed interim consolidated financial statements below.

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual audited consolidated financial statements for the year ended 31 December 2024 ("**FY2024**").

The accounting policies and methods of computation adopted are consistent with those adopted by the Group in its most recently audited consolidated financial statements for FY2024, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 to the condensed interim consolidated financial statements below.

The condensed interim consolidated financial statements are presented in Singapore dollar ($ or SGD) which is the Group's functional currency and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, 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 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 condensed interim consolidated 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.

(a) Carrying value of goodwill

As disclosed in Note 12 to the condensed interim consolidated financial statements, the recoverable amount of the cash generating unit ("**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 revenue growth rates, budgeted gross margin, terminal growth rate, and post-tax discount rates. 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 condensed interim consolidated financial statements below.

The carrying amount of the goodwill as at 30 June 2025 is disclosed in Note 12 to the condensed interim consolidated financial statements below.

(b) Impairment assessment of investment in and loans due from 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 revenue growth rates, budgeted gross margin, terminal growth rate, and post-tax discount rates. The carrying amount of the investment as at 30 June 2025 is disclosed in Note 11 to the condensed interim consolidated financial statements below.

The loan to a subsidiary is subject to expected credit loss ("**ECL**") assessment at the end of financial periods. 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 loans due from a subsidiary is disclosed in Note 13 to the condensed interim consolidated financial statements below.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

4. Segment and revenue information

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

	Group	
	1H2025	**1H2024**
	$'000	$'000
	(Unaudited)	(Unaudited)
Veterinary services	573	640
Sales of veterinary medicines and products	583	724
Total revenue recognised at point in time	1,156	1,364

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	Group		Company	
	As at		As at	
	30/6/2025	**31/12/2024**	**30/6/2025**	**31/12/2024**
	$'000	$'000	$'000	$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial assets				
Trade and other receivables	74	717	-	2,034
Cash and cash equivalents	8,131	8,101	7,960	7,904
Loans due from a subsidiary	-	-	-	3,841
Total financial assets carried at amortised cost	8,205	8,818	7,960	13,779
Financial liabilities				
Trade payables	36	48	-	-
Other payables and accruals	229	519	83	209
Lease liabilities	380	527	-	-
	645	1,094	83	209
Less: GST payable, net	(27)	(20)	-	-
Total financial liabilities carried at amortised cost	618	1,074	83	209

6. Loss before tax

6.1. Significant items

	Group		
	1H2025	1H2024	Increase / (decrease)
	$'000 (Unaudited)	$'000 (Unaudited)	%
Income			
Interest income	138	148	(7)
Government grants	21	70	(70)
Expenses			
Professional fee	80	123	(35)
Depreciation of plant and equipment	51	20	>100
Depreciation of right-of-use assets	143	91	57
Employee benefits expense	802	781	3
Interest expense	9	2	>100
Allowance for goodwill impairment loss	4,000	-	N.M.
Loss on disposal of plant and equipment	1	-	N.M.

N.M. denotes Not Meaningful

6.2. Related party transactions

	Group	
	1H2025 $'000 (Unaudited)	1H2024 $'000 (Unaudited)
Compensation of key management personnel		
Short term benefits	287	287
CPF contributions	20	19
Directors' fees	67	184
	374	490
Comprises amounts paid to:		
Directors of the Company	230	343
Other key management personnel	144	147
	374	490

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim consolidated financial statements.

7. Taxation

There are no income tax expenses or credit for 1H2025 and 1H2024.

8. Loss per share

Basic loss per share ("**LPS**") is calculated by dividing loss for the period attributable to owners of the Company in each financial period by the weighted average number of ordinary shares outstanding during the respective financial period.

For computation of fully diluted LPS, the weighted average number of ordinary shares in issue has been adjusted, where applicable, for any dilutive effect of potential ordinary shares arising from the settlement of contingent liabilities.

	Group	
	1H2025	**1H2024**
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company used in the computation of basic and diluted loss per share	(4,333)	(159)
Weighted average number of ordinary shares for basic loss per share computation ('000)	146,146	146,146
Basic loss per share (in $ cents)	(2.96)	(0.11)
Weighted average number of ordinary shares for diluted loss per share computation ('000)	146,146	146,146
Diluted loss per share (in $ cents)	(2.96)	(0.11)

9. Net Asset Value ("NAV")

	Group		Company	
	As at		As at	
	30/6/2025	**31/12/2024**	**30/6/2025**	**31/12/2024**
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
NAV per ordinary share ($ cents)	7.90	10.86	5.39	9.61
Number of shares used in computation of NAV per share ('000)	146,146	146,146	146,146	146,146

10. Property, plant and equipment

During 1H2025, the Group acquired assets amounting to approximately $7,000 (1H2024: approximately $12,000) and disposed of assets amounting to approximately $3,000 (1H2024: approximately $6,000).

11. Investment in a subsidiary

	Group	
	As at	
	30/06/2025	31/12/2024
	$'000	$'000
	(Unaudited)	(Audited)
Shares, at cost	-*	-*
Additional investment in a subsidiary	4,294	4,294
Transaction cost relating to the acquisition	1,926	1,926
Allowance for impairment loss	(6,220)	(5,749)
	-	471

** Less than $1,000.*

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.

As at 30 June 2025, the Company carried out a review of the investment in its subsidiary, having regard for indicators of impairment on investment in the subsidiary based on the existing performance of the subsidiary. Following the review, an additional impairment loss of approximately $0.47 million was recognised for the cost of investment in the subsidiary for 1H2025 (1H2024: $nil).

Details of the Company's subsidiary are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Principal activities	30/06/2025	31/12/2024
			%	%
Held by the Company				
AVH Animal Ark Pte. Ltd.	Singapore	Own and operate veterinary clinics	100%	100%

12. Goodwill

	Group	
	As at	
	30/06/2025	31/12/2024
	$'000	$'000
	(Unaudited)	(Audited)
Cost	8,405	8,405
Allowance for goodwill impairment loss	(5,400)	(1,400)
	3,005	7,005

Impairment testing of goodwill

As at 30 June 2025, the recoverable amount of the CGU, AVH Animal Ark Pte. Ltd. ("**AVHAA**"), has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years (31 December 2024: 5 years) and projected to terminal year. Management assessed

5 years cash flows and projection to terminal year for the financial forecast of the CGU is appropriate considering management's plan for its business plan in the near future. The forecasted growth rate, gross profit margin and post-tax discount rate used in the cash flow projections over the 5-year period are as follows:

	1H2025	**FY2024**
Revenue growth rate	2.9% - 17%	2.6% - 18.5%
Terminal growth rate	1.9%	1.9%
Budgeted gross profit margin	28.0% - 36.0%	33.1% - 40.0%
Post-tax discount rate	10.0%	10.0%

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 and number of veterinarians.

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 28.0%, 31.0%, 32.0%, 33.0% and 36.0% is applied for FY2025, FY2026, FY2027, FY2028 and FY2029 respectively based on 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, any adverse change in the key assumptions would result in further impairment loss in goodwill.

The financial impacts on the profit and loss as a result of the changes in key assumptions are disclosed below:

Key assumptions	**Range**	**Sensitivity of the input to recoverable amount**
Revenue growth rates	Number of veterinarian decreased by 1	Additional impairment of approximately $686,000.
Budgeted gross profit margin	Decreased by 0.5%	Additional impairment of approximately $274,000.
WACC	Increased by 0.5%	Additional impairment of approximately $307,000.

13. Loans due from a subsidiary

	Company	
	As at	
	30/06/2025	31/12/2024
	$'000	$'000
	(Unaudited)	(Audited)
Non-current:		
Loans due from a subsidiary at cost*	5,627	5,627
Allowance for expected credit loss**	(5,627)	(1,786)
Net carrying amount	-	3,841

* This represents the loans obtained from the Company to finance the acquisition of the subsidiary. The loans due from the subsidiary are unsecured, interest-free and repayable in August 2023 and March 2026 respectively. In February 2022, the Board has approved the extension of the repayment dates to December 2030 and December 2031 respectively. All amounts are expected to be settled in cash.

The impairment assessment has been performed for the loans due from the subsidiary using the three-stage expected credit loss ("ECL**") model. Following the review, an additional ECL allowance of $3.84 million is recognised for 1H2025 (FY2024: $1.27 million) and the loans due from the subsidiary are fully impaired.

14. Trade and other receivables

	Group		Company	
	As at		As at	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	$'000	$'000	$'000	$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Trade receivables	9	6	-	-
Interest receivable	-	83	-	83
Grant receivable	-	18	-	-
Sundry deposits	65	64	-	-
Other receivables				
- Third parties	-	546	-	546
- Subsidiary	-	-	1,886	1,475
Less: Allowance for expected credit losses	-	-	(1,886)	(70)
Total trade and other receivables	74	717	-	2,034
Add:				
Cash and cash equivalents	8,131	8,101	7,960	7,904
Loans due from a subsidiary (Note 13)	-	-	-	3,841
Total loans and receivables	8,205	8,818	7,960	13,779

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 from third parties relate to the professional fees incurred for the proposed acquisition of the entire issued and paid-up share capital in AlDigi Holdings Pte. Ltd. from RHT AlDigi Financial Holdings Pte. Ltd. (the "**Vendor**") (the "**Proposed Acquisition**"). The conditional sale and purchase agreement and supplemental agreements in relation to the Proposed Acquisition have lapsed in June 2024.

Other receivables from subsidiary are unsecured, non-interest bearing and repayable on demand.

Expected credit losses

The movement in allowance for expected credit losses of other receivables from subsidiary computed based on three-stage ECL model are as follows:

	Company	
	As at	
	30/6/2025	**31/12/2024**
	$'000	$'000
	(Unaudited)	(Audited)
Movement in allowance accounts:		
Balance as at 1 January	70	-
Charge for the period/year	1,816	70
Balance as at the end of period/year	1,886	70

15. Borrowings

The Group and the Company do not hold any borrowings and debt securities as at 30 June 2025 and 31 December 2024.

16. Share capital and capital reserve

(a) Share capital

	Group and Company			
	As at			
	30/6/2025		**31/12/2024**	
	Number of shares	**Resultant issued share capital**	**Number of shares**	**Resultant issued share capital**
	'000	$'000	'000	$'000
Beginning/End of interim period/ financial year	146,146	21,333	146,146	21,333

There was no movement in the Company's issued and paid-up share capital since the end of the previous financial period reported on.

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.

The Company has no shares that may be issued on conversion of outstanding convertibles as at 30 June 2025 and 30 June 2024.

The Company has neither treasury shares nor subsidiary holdings as at 30 June 2025 and 30 June 2024.

There was no sale, transfer, cancellation and/or use of treasury shares and subsidiary holdings during 1H2025.

(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 period/year end is net of subscription fee and issuance expenses. The bonus issue warrants had expired on 30 June 2020 and were not exercised.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

F Other Information Required Pursuant to Appendix 7C of the Catalist Rules

1. Review

The condensed interim consolidated statement of financial position of Asia Vets Holdings Ltd. and its subsidiary as at 30 June 2025 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month financial period ended 30 June 2025 and explanatory notes have not been audited or reviewed by the Company's auditors.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest annual audited consolidated financial statements for the financial year ended 31 December 2024 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

2. Review of performance of the Group

(a) <u>Statement of Profit and Loss and Other Comprehensive Income</u>

Revenue, Cost of sales and Gross profit

The Group's revenue is derived from rendering of veterinary services and sales of veterinary medicines and products. It decreased by $0.20 million or 15%, from $1.36 million for 1H2024 to $1.16 million for 1H2025. The decrease was mainly due to i) the lower revenue contribution from one of the relocated clinics; and ii) one of the veterinarians being on maternity leave in the second quarter of 2025.

The Group's cost of sales includes purchase of veterinary medicine and consumables, and employee benefits paid to veterinarians, vet technicians and vet nurses. It decreased by $0.07 million or 8%, from $0.91 million for 1H2024 to $0.84 million 1H2025. The decrease was in line with the decrease in revenue in 1H2025.

Gross profit for 1H2025 was $0.32 million and gross profit margin was 27.6%. Gross profit for 1H2024 was $0.45 million and gross profit margin was 33.1%. The decrease in gross profit margin by 5.5 percentage points was mainly attributable to the higher decrease in revenue as compared to the decrease in cost of sales in 1H2025.

Other operating income

Other operating income comprises mainly interest income from short-term deposits and government grants. The amount decreased by $0.06 million or 27%, from $0.22 million for 1H2024 to $0.16 million for 1H2025.

Government grants relate to:

(i) the Progressive Wage Credit Scheme; and
(ii) the CPF Transition Offset.

Government grants decreased from approximately $70,000 for 1H2024 to approximately $21,000 for 1H2025 mainly due to the decrease in the Progressive Wage Credit Scheme in 1H2025.

Interest income decreased slightly from $0.15 million for 1H2024 to $0.14 million for 1H2025 mainly due to lower interest rate for 1H2025, as compared to 1H2024.

Please refer to Note 6.1 to the condensed interim consolidated financial statements above for details.

Administrative expenses

Administrative expenses mainly relate to general office expenses, administrative staff costs, professional fees, listing expenses and depreciation charges. It decreased from $0.83 million for 1H2024 to $0.80 million for 1H2025. The decrease in professional fees, directors' fees, training expenses, utilities, repair and maintenance expenses and merchant charges was partially offset by the increase in depreciation charges in 1H2025. The increase in depreciation charges was due to i) purchase of new equipment; ii) renovation of the two relocated clinics; and iii) new leases entered into for the two relocated clinics in the third quarter of 2024.

Please refer to Note 6.1 to the condensed interim consolidated financial statements above for details.

Other expenses

Other expenses of $4.00 million in 1H2025 (1H2024: $nil) is related to impairment of goodwill arising from the acquisition of AVHAA in August 2018.

Please refer to Note 12 to the condensed interim consolidated financial statements above for details.

Finance expenses

Finance expenses relate to interest expenses on lease liabilities arising from right-of-use assets. It increased from approximately $2,000 for 1H2024 to approximately $9,000 for 1H2025.

Income tax expenses

There was no income tax expense in 1H2025 and 1H2024 due to loss incurred for the Group.

Loss for the period

As a result of the above, the Group recorded a loss for the period of $4.33 million for 1H2025, as compared to a loss for the period of $0.16 million for 1H2024.

(b) <u>Statement of Financial Position</u>

Non-current assets

Plant and equipment comprise veterinary and medical equipment, office equipment, computer and software and furniture and fixtures. It decreased from $0.53 million as at 31 December 2024 to $0.48 million as at 30 June 2025, mainly due to deprecation charges incurred in 1H2025.

Right-of-use assets relate to leases of veterinary clinic and office premises occupied by the Group. It decreased from $0.50 million as at 31 December 2024 to $0.36 million as at 30 June 2025, mainly due to depreciation charges incurred in 1H2025. Office lease is due for renewal in the third quarter of 2025.

Goodwill arising from the acquisition of AVHAA decreased from $7.01 million as at 31 December 2024 to $3.01 million as at 30 June 2025, due to the impairment loss of $4.00 million recorded in 1H2025.

Current assets

Inventories mainly comprise veterinary medicine, clinic consumables and pet food. It increased from approximately $83,000 as at 31 December 2024 to approximately $95,000 as at 30 June 2025. The increase in inventories was due to the lower purchases of inventories in December 2024.

Trade and other receivables mainly comprise trade receivables, interest receivables, deposits, and other receivables. It decreased from $0.72 million as at 31 December 2024 to $0.07 million as at 30 June 2025, mainly due to the decrease in other receivables from third parties, in relation to the professional fees incurred for the Proposed Acquisition, being reimbursed from the Vendor. Please refer to Note 14 to the condensed interim consolidated financial statements above for details.

Prepayments increased from approximately $32,000 as at 31 December 2024 to approximately $40,000 as at 30 June 2025.

Current liabilities

Trade payables decreased from approximately $48,000 as at 31 December 2024 to approximately $36,000 as at 30 June 2025, mainly due to the higher portion of cash purchases in 1H2025.

Other payables and accruals comprise mainly professional fees, directors’ fees, staff bonus and GST payable. Other payables and accruals decreased from $0.52 million as at 31 December 2024 to $0.23 million as at 30 June 2025. The decrease was mainly due to lower directors’ fees accrual and absence of bonus accrual as at 30 June 2025.

Lease liabilities (current portion) relate to veterinary clinic and office premise leases which are due within the next 12 months after 30 June 2025. It decreased from $0.29 million as at 31 December 2024 to $0.25 million as at 30 June 2025, mainly due to depreciation charges incurred in 1H2025.

Non-current liabilities

Lease liabilities (non-current portion) relate to veterinary clinic and office premise leases which are due after the next 12 months after 30 June 2025. It decreased from $0.24 million as at 31 December 2024 to $0.13 million as at 30 June 2025, mainly due to a reclassification of amount due within the next 12 months after 30 June 2025 from non-current liabilities to current liabilities.

Working capital

The Group reported a positive working capital position of $7.83 million as at 30 June 2025 ($8.08 million as at 31 December 2024).

(c) <u>Statement of Cash Flows</u>

Net cash generated from operating activities amounted to $0.19 million for 1H2025. The net cash generated from operating activities was due to (i) the operating cash outflows before working capital changes of $0.27 million; (ii) net working capital inflow of $0.24 million; and (iii) interest received of $0.22 million. The net working capital inflow was attributable to a decrease in trade and other receivables of $0.56 million, which was partially offset by (i) an increase in inventories of approximately $12,000; (ii) a decrease in trade and other payables of $0.30 million; and (iii) an increase in prepayments of approximately $8,000.

Net cash used in investing activities for 1H2025 amounted to approximately $7,000 for the purchase of veterinary and medical equipment.

Net cash used in financing activities for 1H2025 amounted to $0.16 million and was mainly due to the repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents decreased from $8.60 million as at 31 December 2024 to $8.13 million as at 30 June 2025.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The unaudited consolidated financial results of the Group for 1H2025 as set out in this announcement, are in line with the profit guidance announcement for 1H2025 released by the Company on 25 July 2025.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Group has relocated its veterinary clinics in the third quarter of 2024. The relocation of its veterinary clinics provides opportunities for the Group to enhance its service offerings and improve its operational efficiency.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

5c. Date Payable

Not applicable.

5d. The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

5e. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared (recommended) for 1H2025 as the Board of Directors of the Company deems it appropriate to conserve cash for the Group's business activities and growth.

5f. Total Annual Dividend

Not applicable.

6. Interested person transactions ("IPTs")

The Group has not obtained a general mandate from shareholders of the Company for IPTs and there were no IPTs entered into in 1H2025.

7. Disclosure of acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

The Group does not have any acquisitions (including incorporations) and realisations of shares since the end of the previous reporting period, up to 30 June 2025.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company hereby confirms that it has procured and received all the undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim consolidated financial statements of the Group for the six-month financial period ended 30 June 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
ASIA VETS HOLDINGS LTD.

Tan Tong Guan	Henry Tan Song Kok
Executive Chairman and Chief Executive Officer	Lead Independent Director

Singapore

6 August 2025