



ASIA VETS HOLDINGS LTD.
(Company Registration No: 201003501R)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020**

*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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

ASIA VETS HOLDINGS LIMITED
(Company Registration No: 201003501R)

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Increase / (decrease) %
	2020	2019	
	S\$'000 (Unaudited)	S\$'000 (Audited)	
Revenue	4,323	3,808	14
Cost of sales	(2,471)	(2,254)	10
Gross profit	1,852	1,554	19
Other operating income	388	757	(49)
Administrative expenses	(1,602)	(1,505)	6
Other expenses	(542)	-	N.M.
Finance costs	(10)	(17)	(41)
Profit before tax	86	789	(89)
Income tax expense	(73)	(19)	284
Profit for the year, net of tax	13	770	(98)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income attributable to owners of the Company	13	770	(98)
Earnings per share (in S\$ cents)			
Basic	0.01	0.55	
Fully diluted	0.01	0.54	

N.M. denotes Not Meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

The profit before tax is arrived at after crediting/(charging):

	Group		Increase / (decrease)	Note
	2020	2019		
	S\$'000 (Unaudited)	S\$'000 (Audited)	%	
Interest income	112	191	(41)	(a)
Government grants	274	4	6,750	(b)
Foreign exchange gain/(loss)	-*	-*	N.M.	
Bad debt written off	-*	-*	N.M.	
(Loss)/gain on fair value adjustment on contingent consideration for business combination	(542)	562	N.M.	(c)
Depreciation of plant and equipment	(132)	(136)	(3)	
Depreciation of right-of-use assets	(254)	(255)	-	
Key management and Employee benefits expense	(2,020)	(1,884)	7	(d)
Interest expense	(10)	(17)	(41)	(e)
Loss on disposal of plant and equipment	(5)	-	N.M.	(f)

N.M. denotes Not Meaningful

Notes:

* Less than S\$500.

(a) Interest income arose mainly from short-term deposits. The decrease was due to lower interest rate in the financial year ended 31 December 2020 (“**FY2020**”) as compared to the financial year ended 31 December 2019 (“**FY2019**”).

(b) Government grants in FY2020 related to:

- (i) the Jobs Support Scheme announced at the Budget 2020 and three supplementary budgets (“**JSS Grant**”);
- (ii) the Rental Relief Framework for Small and Medium Enterprises (SMEs) introduced by the Ministry of Law (“**Rental Relief Grant**”);
- (iii) the foreign worker levy waiver and rebate announced at the Solidarity Budget (“**FWL Waiver and Rebate**”); and
- (iv) the Wage Credit Scheme and Special Employment Credit Scheme.

The increase was mainly from (i) - (iii) which are part of the COVID-19 Government Relief Measures announced by the Singapore government.

In FY2019, government grants only related to (iv).

(c) (Loss)/gain on fair value adjustment on contingent consideration for business combination, which is a non-cash item, was due to reassessment of the fair value of the Contingent Consideration (as defined below) relating to the acquisition of AVH Animal Ark Pte. Ltd. (“**AVHAA**”) which was completed on 13 August 2018 (the “**Acquisition**”). In accordance with the terms of the sale and purchase agreement for the Acquisition, 20% of the purchase consideration for the Acquisition (“**Contingent Consideration**”) is held in escrow by the Company and shall be payable to the vendors within 20 business days after the expiry of the retention period of 30 months from the completion date of the Acquisition (the “**Retention Period**”). Such Contingent Consideration shall be subject to adjustment upon determination of the average earnings before interest and tax (“**EBIT**”) over the Retention Period. Please refer to the Company’s circular to shareholders dated 29 June 2018 (the “**Circular**”) for further information regarding the Acquisition and the Contingent Consideration.

The fair value of the Contingent Consideration was reassessed as at the end of FY2020 and FY2019. As at 31 December 2020, the fair value of the Contingent Consideration increased by S\$542,000 to S\$1.9 million and accordingly, a loss on fair value adjustment on Contingent Consideration was recognised in “other expenses” line item in the Group’s profit or loss for FY2020. As at 31 December 2019, the fair value of the Contingent Consideration decreased by S\$562,000 to S\$1.3 million and accordingly, a gain on fair value adjustment on Contingent Consideration was recognised in “other operating income” line item in the Group’s profit or loss for FY2019.

- (d) Increase in key management and employee benefits expense was mainly due to annual salary increment and the increased headcount in FY2020, as compared to FY2019.
- (e) Interest expense related to lease liabilities arising from right-of-use (“**ROU**”) assets. The decrease was due to the decrease in lease liabilities in FY2020, as compared to FY2019.
- (f) Loss on disposal of plant and equipment related to the disposal of veterinary equipment in FY2020. There was no disposal of any plant and equipment in FY2019.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Non-current assets				
Investment in a subsidiary	-	-	3,586	3,586
Plant and equipment	231	303	-	-
Right-of-use assets	284	325	-	-
Goodwill	8,405	8,405	-	-
Amount due from a subsidiary	-	-	5,113	5,576
	8,920	9,033	8,699	9,162
Current assets				
Inventories	119	86	-	-
Trade and other receivables	95	90	3	24
Prepayments	39	44	10	9
Amount due from a subsidiary	-	-	78	-
Cash and cash equivalents	12,994	12,278	12,645	11,885
	13,247	12,498	12,736	11,918
Total assets	22,167	21,531	21,435	21,080
Current liabilities				
Trade payables	89	74	-	-
Other payables and accruals	2,277	410	138	125
Lease liabilities	200	234	-	-
Deferred government grant	46	-	-	-
Provision for taxation	64	19	-	1
	2,676	737	138	126
Net current assets	10,571	11,761	12,598	11,792
Non-current liabilities				
Other payables	-	1,318	-	-
Lease liabilities	89	96	-	-
Deferred tax liabilities	30	21	-	-
	119	1,435	-	-
Total liabilities	2,795	2,172	138	126
Net assets	19,372	19,359	21,297	20,954
Share capital	20,777	20,777	20,777	20,777
Capital reserve	228	228	228	228
Revenue reserve	(1,633)	(1,646)	292	(51)
Total equity	19,372	19,359	21,297	20,954
Total equity and liabilities	22,167	21,531	21,435	21,080

1 (b)(ii) Aggregate amount of Group's borrowings and debt securities.

The Group does not have any borrowings or hold any debt securities as at 31 December 2019 and 31 December 2020.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	2020	2019
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Profit before tax	86	789
Adjustments for:		
Depreciation of plant and equipment	132	136
Loss on disposal of plant and equipment	5	-
Depreciation of right-of-use assets	254	255
Fair value adjustment on contingent consideration for business combination	542	(562)
Interest income	(112)	(191)
Interest expense	10	17
Unrealised exchange loss	-*	-*
Operating cash flows before working capital changes	917	444
(Increase)/decrease in trade and other receivables	(26)	1
(Increase)/decrease in inventories	(33)	17
Decrease in prepayments	5	9
Increase in deferred government grant	46	-
Increase/(decrease) in trade and other payables	22	(58)
Cash generated from operations	931	413
Interest received	133	185
Income tax refund	-	1
Income tax paid	(17)	-
Net cash flows generated from operating activities	1,047	599
Cash flows from investing activities		
Purchase of plant and equipment	(65)	(3)
Net cash flows used in investing activities	(65)	(3)
Cash flows from financing activities		
Repayment of lease liabilities	(266)	(266)
Net cash flows used in financing activities	(266)	(266)
Net increase in cash and cash equivalents	716	330
Cash and cash equivalents at beginning of the year	12,278	11,948
Effect of exchange rate changes on cash and cash equivalents	-*	-*
Cash and cash equivalents at end of the year	12,994	12,278

Note:

* Between S\$500 and (S\$500).

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share Capital	Capital Reserves	Revenue Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2020 (audited)	20,777	228	(1,646)	19,359
Profit for the period, representing total comprehensive income for the year	-	-	13	13
Total comprehensive income for the year	-	-	13	13
Closing balance at 31 December 2020 (unaudited)	20,777	228	(1,633)	19,372
Opening balance at 1 January 2019 (audited)	20,777	228	(2,416)	18,589
Profit for the period, representing total comprehensive income for the year	-	-	770	770
Total comprehensive income for the year	-	-	770	770
Closing balance at 31 December 2019 (audited)	20,777	228	(1,646)	19,359
Company	Share Capital	Capital Reserves	Revenue Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2020 (audited)	20,777	228	(51)	20,954
Profit for the period, representing total comprehensive income for the year	-	-	343	343
Total comprehensive income for the year	-	-	343	343
Closing balance at 31 December 2020 (unaudited)	20,777	228	292	21,297
Opening balance at 1 January 2019 (audited)	20,777	228	(387)	20,618
Profit for the period, representing total comprehensive income for the year	-	-	336	336
Total comprehensive income for the year	-	-	336	336
Closing balance at 31 December 2019 (audited)	20,777	228	(51)	20,954

There are no (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

On 13 August 2018, a total of 5,300,000 new bonus issue warrants of the Company at an issue price of S\$0.0001 per bonus issue warrant were issued to Tiger Equities Pte. Ltd. and its nominees upon completion of the Acquisition ("**Bonus Issue Warrants**"). Each Bonus Issue Warrant carries the right to subscribe for one new share of the Company at an exercise price of S\$0.25. No Bonus Issue Warrant was exercised and all the Bonus Issue Warrants expired on 30 June 2020. Save for the above regarding the Bonus Issue Warrants, the Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company has neither treasury shares nor subsidiary holdings as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31/12/2020	As at 31/12/2019
Total number of issued shares	138,928,002	138,928,002
Treasury shares	Nil	Nil

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's independent auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

- 3A. 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 audited financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the unaudited financial statements for FY2020 as in the Group's most recent audited financial statements for the financial year ended 31 December 2019.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all mandatory accounting standards, amendments and interpretations that are relevant to the Group, and which are effective for the accounting period beginning on or after 1 January 2020. The adoption of these accounting standards, amendments and interpretations did not have any material effect on the financial performance or position of the Group.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share ("EPS")

	Group	
	2020 (Unaudited)	2019 (Audited)
Profit attributable to owners of the Company (S\$'000)	13	770
EPS, based on profit attributable to owners of the Company		
- Basic (S\$ cents)	0.01	0.55
- Fully diluted (S\$ cents)	0.01	0.54
Weighted average number of ordinary shares in issue:		
- Basic	138,928,002	138,928,002
- Fully diluted	146,145,696	142,083,158

Basic EPS was computed by dividing profit attributable to owners of the Company for the respective financial periods by the weighted average number of ordinary shares outstanding as at the end of the respective financial periods.

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

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

Net Asset Value (“NAV”)

	Group		Company	
	As at		As at	
	31/12/2020 (Unaudited)	31/12/2019 (Audited)	31/12/2020 (Unaudited)	31/12/2019 (Audited)
NAV per ordinary share (S\$ cents)	13.94	13.93	15.27	15.08
Number of shares used in computation of NAV per share	138,928,002	138,928,002	138,928,002	138,928,002

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a) Statement of Comprehensive Income

Revenue, Cost of sales and Gross profit

The Group’s revenue is predominantly derived from rendering of veterinary services and sales of veterinary medicine. It increased from S\$3.8 million for FY2019 to S\$4.3 million for FY2020. The increase was mainly due to higher demand for our services as a result of enhanced brand awareness through improving social media presence and company website.

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 increased from S\$2.3 million for FY2019 to S\$2.5 million for FY2020. The increase was mainly due to increased sales in FY2020.

Gross profit for FY2020 was S\$1.8 million and gross profit margin was 41.9%. Gross profit for FY2019 was S\$1.5 million and gross profit margin was 39.5%. The increase in gross profit margin was mainly attributed to higher increase in revenue as compared to increase in cost of sales in FY2020.

Other operating income

Other operating income comprise mainly interest income and government grants. In FY2019, it also comprised gain on fair value adjustment of Contingent Consideration in connection with the Acquisition, which is a non-cash item.

The amount decreased from S\$757,000 for FY2019 to S\$388,000 for FY2020. The decrease was mainly due to absence of gain on fair value adjustment of Contingent Consideration amounting to S\$562,000 in FY2020. The decrease was partially offset by the increase in government grants relating to the COVID-19 Government Relief Measures. Please refer to 1(a)(ii)(a) - (c) for details.

Administrative expenses

Administrative expenses mainly relate to general office expenses, administrative staff costs, professional fee, listing expenses and depreciation charges. It increased from S\$1.5 million for FY2019 to S\$1.6 million for FY2020. The increase was mainly from i) merchant charges as a result of higher revenue; ii) employee benefits expense; and iii) directors’ fees.

Other expenses

Other expenses relate to loss on fair value adjustment of Contingent Consideration in connection with the Acquisition, which is a non-cash item. Please refer to 1(a)(ii)(c) for details.

Finance costs

Finance costs relate to interest expenses on lease liabilities arising from the ROU assets. Please refer to 1(a)(ii)(e) for details.

Income tax expense

Income tax expense comprises current income tax expense and the deferred taxation mainly in relation to a taxable temporary difference on plant and equipment which are subject to capital allowance. It increased from S\$19,000 for FY2019 to S\$73,000 for FY2020. The increase was mainly due to the increase in chargeable income.

Profit, net of tax

As a result of the above, the Group's profit after tax decreased from S\$770,000 for FY2019 to S\$13,000 for FY2020.

(b) Statement of 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 S\$303,000 as at 31 December 2019 to S\$231,000 as at 31 December 2020, mainly due to depreciation charges incurred in FY2020.

Right-of-use assets, relating to leases of clinic and office premises occupied by the Group. The decrease from S\$325,000 as at 31 December 2019 to S\$284,000 as at 31 December 2020 was due to depreciation charges incurred in FY2020.

Goodwill arising from the Acquisition of AVHAA remains unchanged.

Current Assets

Inventories, which mainly comprise veterinary medicine, clinic consumables and pet food, increased from S\$86,000 as at 31 December 2019 to S\$119,000 as at 31 December 2020. The increase was to meet higher customer demand.

Trade and other receivables increased from S\$90,000 as at 31 December 2019 to S\$95,000 as at 31 December 2020. Trade receivables increased from S\$12,000 as at 31 December 2019 to S\$14,000 as at 31 December 2020 due to higher revenue. Other receivables mainly comprise government grant receivables relating to the COVID-19 government relief measures, interest receivables and deposits. It increased from S\$78,000 as at 31 December 2019 to S\$81,000 as at 31 December 2020. The increase was mainly due to absence of government grant receivables as at 31 December 2019.

Prepayments decreased from S\$44,000 as at 31 December 2019 to S\$39,000 as at 31 December 2020. The decrease was mainly due to amortisation of prepaid operating expenses as expenses when they were incurred in FY2020.

Current Liabilities

Trade payables increased from S\$74,000 as at 31 December 2019 to S\$89,000 as at 31 December 2020, due to the higher purchases to meet increased customer demand in FY2020.

Other payables and accruals comprise mainly professional fees, directors' fees, goods and services tax ("GST") which are to be paid within the next 12 months after 31 December 2020. As at 31 December 2020, it also comprised the Contingent Consideration payable to the vendors for the Acquisition, amounting to S\$1.9 million, due within 20 business days after the expiry of the Retention Period. Other payables and accruals (excluding the aforesaid Contingent Consideration) increased from S\$410,000 as at 31 December 2019 to S\$417,000 as at 31 December 2020.

Lease liabilities (current portion) relate to clinic and office leases of premises occupied by the Group and due within the next 12 months after 31 December 2020. The decrease was due to repayment of lease liabilities in FY2020.

Deferred government grant amounting to S\$46,000 as at 31 December 2020 (as at 31 December 2019: Nil) relates to the JSS Grant as part of the COVID-19 Government Relief Measures announced by the Singapore government. Please refer to 1(a)(ii)(b) for details.

Provision for taxation increased from S\$19,000 as at 31 December 2019 to S\$64,000 as at 31 December 2020, due to higher chargeable income.

Non-Current Liabilities

Other payables (non-current portion) amounting to S\$1.3 million as at 31 December 2019 relate to Contingent Consideration payable to the vendors for the Acquisition. Its fair value was reassessed at S\$1.9 million as at 31 December 2020, and the full amount was reclassified as current liabilities as it will be due in 2021, within the next 12 months after 31 December 2020.

Lease liabilities (non-current portion) relate to clinic and office leases of premises occupied by the Group and due after the next 12 months after 31 December 2020. It decreased from S\$96,000 as at 31 December 2019 to S\$89,000 as at 31 December 2020, due to reclassification of the amount due within the next 12 months after 31 December 2020 to current liabilities.

Deferred tax liabilities mainly relate to a taxable temporary difference on plant and equipment which are subject to capital allowance. It increased from S\$21,000 as at 31 December 2019 to S\$30,000 as at 31 December 2020.

Working Capital

The Group reported a positive working capital position of S\$10.6 million as at 31 December 2020 (S\$11.8 million as at 31 December 2019).

(c) Statement of Cash Flows

Net cash generated from operating activities amounted to S\$1.0 million for FY2020. The net cash generated from operating activities was mainly due to (i) the operating cash flows before working capital changes generated for FY2020 of S\$917,000; (ii) a decrease in prepayments of S\$6,000; (iii) an increase in deferred government grant of S\$46,000; (iv) an increase in trade and other payables of S\$22,000; and (v) interest received of S\$133,000. The increase was partially offset by (i) an increase in trade and other receivables of S\$26,000; (ii) an increase in inventories of S\$33,000; and (iii) income tax paid of S\$17,000.

Net cash used in investing activities for FY2020 amounted to S\$65,000 due to the purchase of new clinic management system and other plant and equipment for clinic's use.

Net cash used in financing activities for FY2020, amounting to S\$266,000, related to the repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents increased from S\$12.3 million as at 31 December 2019 to S\$13.0 million as at 31 December 2020.

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

No forecast or prospect statement was previously disclosed to shareholders.

10 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 reporting period and the next 12 months.

Although the COVID-19 pandemic imposes unprecedented challenge on the global economy, the veterinary sector continues to be relatively resilient and stable.

Being in an essential service industry, the Company has thus far not seen any material negative impact from the COVID-19 on its operating and financing condition. However, the Company will continue to monitor the development of the COVID-19 pandemic and manage the impact.

The Company will continue to look out for opportunities to acquire related businesses or veterinary clinics, both in Singapore and overseas to expand its business scope and collaborate with industry players to expand its customer base.

11 Dividend

(a) **Current financial period reported on**
Any dividend declared for the current financial period reported on?

Subject to approval from the Company's shareholders ("**Shareholders**") at the forthcoming annual general meeting of the Company to be convened in April 2021 ("**2021 AGM**"), the Directors are pleased to propose a one-tier tax-exempt first and final dividend of 0.2 Singapore cents per ordinary share for FY2020.

Name of dividend	First and Final Dividend (proposed)
Dividend type	Cash
Dividend amount per ordinary share	0.2 Singapore cents
Tax rate	Tax-exempt (one-tier)

(b) **Corresponding period of the immediately preceding financial year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) **Date payable**

The proposed first and final cash dividend shall be payable on or about 17 May 2021, if approved by the Shareholders at the 2021 AGM.

(d) **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**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. (Singapore time) on 6 May 2021 ("**Record Date**") for the purpose of determining the entitlements of the Shareholders to a proposed first and final tax exempt (one-tier) cash dividend of 0.20 Singapore cents per ordinary share for FY2020 ("**Final Dividend**"), subject to the approval of Shareholders at the 2021 AGM.

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("**CDP**"), the Final Dividend shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 p.m. (Singapore time) on the Record Date.

Duly completed and stamped registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to 5.00 p.m. on the Record Date will be registered to determine Shareholders' entitlements to the Final Dividend.

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

Not applicable.

13 **If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs and there were no IPTs entered into in FY2020.

14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1) of the Catalist Rules.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediate preceding year.**

Not applicable as the Group has a single operating segment in Singapore.

- 16 In the review of performance, the factors leading to any material changes in the contributions to turnover and earnings by the operating segments.**

Not applicable as the Group has a single operating segment in Singapore.

- 17 A breakdown of sales as follows:**

		Group		
		2020	2019	Increase/ (Decrease)
		S\$’000	S\$’000	%
		(Unaudited)	(Audited)	
(a)	Sales reported for first half year	2,150	1,853	16
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	24	115	(79)
(c)	Sales reported for second half year	2,173	1,955	11
(d)	Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(11)	655	N.M.

N.M. denotes Not Meaningful

- 18 A breakdown of the total annual dividend (in dollar value) for the Issuer’s latest full year and its previous full year.**

	2020	2019
	S\$	S\$
(a) Ordinary (net of tax)		
- First and Final (proposed)#	277,856	-
(b) Preference	-	-
Total annual dividend	277,856	-

The total amount of the proposed first and final dividend of 0.2 Singapore cents per ordinary share for FY2020 is computed based on the number of ordinary shares outstanding as at the end of the financial year as at 31 December 2020.

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There was no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Tong Guan
Executive Chairman and CEO
25 February 2021