



ASIA VETS HOLDINGS LTD.

# ADVANCEMENT COMMITMENT EXCELLENCE



ANNUAL REPORT 2023

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& Core Values

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

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.





## VISION

To be the trusted partner at the forefront of pet care in Asia

## MISSION

To practise the highest standard of pet care with compassion



## CORE VALUES

### ADVANCEMENT

Advancement through continued education and technology

### COMMITMENT

Commitment of being a trusted partner with professional ethics

### EXCELLENCE

Excellence in knowledge, skills and customer experience





## CORPORATE PROFILE

Asia Vets Holdings Ltd. (the “**Company**”), through its wholly-owned subsidiary, AVH Animal Ark Pte. Ltd. (together with the Company, the “**Group**”), provides veterinary care and clinical services to small animals in Singapore.



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Currently, the Group operates two (2) veterinary clinics which provide a full range of general veterinary services including medical, surgical and dental care for small animals including dogs, cats, rabbits and

other pocket pets. We pride ourselves in providing our patients with advanced diagnostic work up and the latest in medical treatments and surgical procedures. We aim to provide the highest level of care for pets under minimally stressful conditions, operating one of the few open concept veterinary clinics in Singapore where pet owners are welcome to be with their pet throughout the whole vet visit. Complementary remedies and treatments such as acupuncture and Traditional Chinese Medicine are also available at our clinics.

The Group targets to be the trusted partner at the forefront of pet care in Asia through practising the highest standard of pet care with compassion. The Group will continue to expand its operations via organic growth and acquisitions in Asia.

The Company was incorporated in Singapore in February 2010 and has been admitted to the Official List of the SGX-Catalist since July 2010.



# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW

## Dear Shareholders,

On behalf of the Board of Directors, I would like to present the results of Asia Vets Holdings Ltd. (the “**Company**”, and together with its subsidiary, the “**Group**”) for the financial year ended 31 December 2023 (“**FY2023**”).

## THE YEAR IN REVIEW

For the past year, the increased market competition, a shortage of veterinarian surgeons and the rising costs in the veterinary industry were the main challenges on the Group's business growth. As a result, the Group's revenue decreased by 4.0% year-on-year, as compared to the financial year ended 31 December 2022 (“**FY2022**”). In addition, the Group has incurred professional expenses of \$0.35 million in relation to the proposed acquisition of the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. (the “**Target**”) from RHT AIDigi Financial Holdings Pte. Ltd. (“**Proposed Acquisition**”)¹ in FY2023. Overall, the Group suffered a loss after tax of \$0.74 million for FY2023.

## OPERATIONS AND FINANCIAL REVIEW

### INCOME STATEMENT

#### 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 \$0.09 million or 4%, from \$2.42 million for FY2022 to \$2.33 million for FY2023. The decrease was mainly due to a decrease in revenue from surgery and procedures as a result of a reduction in the number of veterinary technicians, and a decrease in revenue from the sale of veterinary medicines and products.

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 by \$0.06 million or 3%, from \$1.57 million for FY2022 to \$1.63 million FY2023. The increase was mainly due to the increased veterinary staff cost in FY2023.

Gross profit for FY2023 was \$0.70 million and gross profit margin was 30%. Gross profit for FY2022 was \$0.85 million and gross profit margin was 35%. The decrease in gross profit margin by 5 percentage points was mainly attributable to the decrease in revenue and the increase in cost of sales in FY2023.



#### OTHER OPERATING INCOME

Other operating income comprises mainly interest income and government grants. The amount increased from \$0.11 million for FY2022 to \$0.37 million for FY2023, mainly due to an increase in government grants and an increase in interest income.

Government grants increased from approximately \$9,000 for FY2022 to \$0.05 million for FY2023 mainly due to an increase in Progressive Wage Credit Scheme (“PWCS”) grants and Government-Paid Maternity Leave Scheme in FY2023 which was absent in FY2022.

Interest income increased from \$0.10 million for FY2022 to \$0.32 million for FY2023 mainly due to higher interest rate for FY2023, as compared to FY2022.

1 Please refer to the Company's announcements dated 30 December 2021, 28 April 2022, 5 August 2022, 30 November 2022, 14 December 2022 and 29 November 2023 for more information.



# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW

## ADMINISTRATIVE EXPENSES

Administrative expenses mainly relate to general office expenses, administrative staff costs, professional fees, listing expenses and depreciation charges. It increased from \$1.72 million for FY2022 to \$1.81 million for FY2023. The increase in professional fees, administrative staff costs, recruitment expenses, depreciation of right-of-use assets and IT expenses in FY2023 was partially offset by the decrease in repair and maintenance and general office expenses. Professional fees included fees incurred for the Proposed Acquisition (the "**RTO Expenses**"). RTO Expenses increased from \$0.29 million for FY2022 to \$0.35 million for FY2023.

## OTHER EXPENSES

Other expenses relate to cash donations made by the Company to the approved Institution of a Public Character to support the local communities. It decreased from \$11,000 for FY2022 to \$3,000 for FY2023.

## FINANCE EXPENSES

Finance expenses relate to interest expenses on lease liabilities arising from right-of-use assets. It decreased from \$0.01 million for FY2022 to approximately \$8,000 for FY2023.

## INCOME TAX CREDIT

There was no income tax expense in FY2023 due to loss incurred for the Group. The Group recorded income tax credit of approximately \$11,000 in FY2022.

## LOSS FOR THE YEAR

As a result of the above, the Group recorded a loss for the year of \$0.74 million for FY2023, as compared to a loss for the year of \$0.77 million for FY2022.

## FINANCIAL POSITION

### NON-CURRENT ASSETS

Plant and equipment comprise veterinary and medical equipment, office equipment, computer and software, and furniture and fixtures. It increased from \$0.12 million as at 31 December 2022 to \$0.13 million as at 31 December 2023, mainly due to purchase of veterinary and medical equipment and computers in FY2023.

Right-of-use assets relate to leases of veterinary clinic and office premises occupied by the Group. It decreased from \$0.29 million as at 31 December 2022 to \$0.14 million as at 31 December 2023, mainly due to depreciation charges incurred in FY2023.

Goodwill arising from the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. by Hu Zhi Investments Limited and David Wendyl Karl Jenkins remains unchanged at \$8.4 million as at 31 December 2022 and 31 December 2023.

### CURRENT ASSETS

Inventories mainly comprise veterinary medicine, clinic consumables and pet food. It decreased from \$0.11 million as at 31 December 2022 to \$0.10 million as at 31 December 2023. The decrease in inventories was due to the lower purchases of inventories in December 2023.

Trade and other receivables mainly comprise trade receivables, interest receivables, deposits, and other receivables in relation to the Proposed Acquisition. It increased from \$0.35 million as at 31 December 2022 to \$0.76 million as at 31 December 2023, mainly due to an increase in other receivables in relation to professional fees incurred for the Proposed Acquisition of \$0.43 million, which will be reimbursed from the Target.

Prepayments slightly decreased from approximately \$28,000 as at 31 December 2022 to approximately \$27,000 as at 31 December 2023.

### CURRENT LIABILITIES

Trade payables decreased from approximately \$63,000 as at 31 December 2022 to approximately \$59,000 as at 31 December 2023, due to the lower purchases of inventories in December 2023.

Other payables and accruals comprise mainly professional fees, directors' fees, staff bonus and GST payable. Other payables and accruals increased from \$0.44 million as at 31 December 2022 to \$0.52 million as at 31 December 2023. The increase was mainly due to an increase in staff bonus and GST payables in FY2023.

Lease liabilities (current portion) relate to veterinary clinic and office premise leases and due within the next 12 months after 31 December 2023. It decreased from \$0.19 million as at 31 December 2022 to \$0.13 million as at 31 December 2023 mainly due to the expiry of clinic leases in the third quarter of 2024.

# CHAIRMAN'S STATEMENT & FINANCIAL REVIEW

## NON-CURRENT LIABILITIES

Lease liabilities (non-current portion) relate to veterinary clinic and office premise leases and due after the next 12 months after 31 December 2023. It decreased from \$0.12 million as at 31 December 2022 to \$0.02 million as at 31 December 2023, mainly due to a reclassification of amount due within the next 12 months after 31 December 2023 from non-current liabilities to current liabilities.

## WORKING CAPITAL

The Group reported a positive working capital position of \$9.19 million as at 31 December 2023 as compared to \$9.89 million as at 31 December 2022.

## TOTAL EQUITY

The Group's total equity decreased from at \$18.59 million as at 31 December 2022 to \$17.85 million as at 31 December 2023.

## CASH FLOWS

Net cash used in operating activities amounted to \$0.83 million for FY2023. The net cash used in operating activities was due to (i) the operating cash outflows before working capital changes of \$0.82 million; (ii) net working capital outflow of \$0.35 million; and (iii) interest received of \$0.34 million. The net working capital outflow was attributable to an increase in trade and other receivables of \$0.44 million, which was partially offset by (i) an increase in trade and other payables of \$0.08 million; (ii) a decrease in inventories of approximately \$5,000; and (iii) a decrease in prepayments of approximately \$1,000.

Net cash used in investing activity for FY2023 amounted to \$0.06 million and was due to the purchase of veterinary and medical equipment, and computers.

Net cash used in financing activities for FY2023 amounted to \$0.19 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 \$10.10 million as at 31 December 2022 to \$9.01 million as at 31 December 2023.

## MOVING FORWARD

A shortage of veterinarian surgeons, both in Singapore and globally, has made it challenging for industry players to hire and retain talent. 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. The management of the Company together with our professional team of veterinarians remains committed to enhance our core strengths and internal capabilities. This dedication aims to elevate the quality and standards of care provided to our patients.

Since venturing into the veterinary industry in 2018, the Company has been actively exploring various acquisition opportunities and options available to maximise value for its shareholders.

On 30 December 2021 ("**Announcement**"), the Company announced the Proposed Acquisition. The Proposed Acquisition will constitute a "reverse takeover" transaction pursuant to Chapter 10 of the Catalist Rules and is subject to, inter alia, the approval of the SGX-ST and the approval of the shareholders of the Company at an extraordinary general meeting to be convened. The Proposed Acquisition will enable the Group to capture opportunities within the fast-growing financial and technology business and achieve higher revenue levels alongside its existing business. Please refer to the announcements dated 30 December 2021, 28 April 2022, 5 August 2022, 30 November 2022, 14 December 2022 and 29 November 2023 for more information on the Proposed Acquisition. The Company will make the necessary announcements as and when there are further material developments on the Proposed Acquisition and other matters contemplated by the Announcement.

## IN APPRECIATION

Despite the challenges faced last year, on behalf of the Board of Directors of the Company, we extend our heartfelt gratitude to all our stakeholders for their unwavering support and commitment. To our shareholders, customers, employees, suppliers, partners, and communities, your continued trust, dedication, and collaboration have been invaluable. Together, we navigate these difficult times with resilience and determination, confident in our collective ability to overcome obstacles and emerge stronger.

## TAN TONG GUAN

*Co-founder, Executive Chairman and Chief Executive Officer*



## DIRECTORS PROFILE



### TAN TONG GUAN

Co-founder, Executive Chairman and CEO

Tan Tong Guan, 60, co-founder, Executive Chairman and CEO, was appointed to the Board on 17 February 2010 and was last re-appointed on 25 April 2022. He is responsible for providing the corporate direction and business strategy for our Group. Mr Tan brings over 30 years of experience in business strategy, having been an executive director of our holding company and controlling shareholder, Tan Gee Beng Private Limited (“**TGBPL**”), from February 1991 to the present. TGBPL was formed in 1967 by Mr Tan’s family and has grown from a trading company to an investment holding company that has businesses, ranging from manufacturing, trading, property investments and investment holding. Mr Tan is currently an independent director and chairman of the audit committee of Sing Holdings Limited, a SGX-listed company. Mr Tan graduated with a Bachelor of Accountancy from the National University of Singapore and is a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants (“**ISCA**”). Mr Tan is the brother of Ms Tan Geok Moey (Non-Executive Director).



### TAN GEOK MOEY

Non-Executive Director

Tan Geok Moey, 63, Non-Executive Director, was appointed to the Board on 15 March 2010 and was last re-appointed on 26 April 2023. She is a member of the Audit Committee, the Remuneration Committee and the Nominating Committee of our Company. Ms Tan is currently a director of TGBPL, the holding company and controlling shareholder of our Company. She is also a director of TGB Properties Pte Ltd, Cosmos Investment Pte Ltd, Wellington First Properties (NZ) Pte Ltd, Tan Gee Beng (Hong Kong) Ltd and TGB Properties (NZ) Pte Ltd. Ms Tan graduated with a Bachelor of Accountancy from the National University of Singapore. Ms Tan is the sister of Mr Tan Tong Guan (Executive Chairman and CEO).





## DIRECTORS PROFILE



**KIM SEAH TECK KIM**  
Independent Director

Kim Seah Teck Kim, 69, Independent Director, was appointed to the Board on 25 April 2019 and was last re-appointed on 25 April 2022. He is the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee of our Company. He has previously served as an independent director on other SGX-listed companies, namely Sing Investments & Finance Limited (till April 2019) and Texchem-Pack Holdings (S) Limited (till April 2016).

A practising lawyer with Incisive Law LLC, Mr Seah was previously a full-time academic and served as Vice-Dean of the Faculty of Law of the National University of Singapore before leaving for private practice. He is the Legal Adviser to the Association of Banks in Singapore, a member of the Banking Commission of the International Chamber of Commerce, Paris and its Panel of Experts under the DOCDEX Rules. He also serves as the Chairman of the Patron Dispute Committee of the Gambling Regulatory Authority, Singapore.

Mr Seah holds a LL.B. (Honours) degree from the University of Singapore and a LL.M. degree from Harvard Law School (awarded whilst a Fulbright Scholar). He has been an advocate & solicitor of the Supreme Court of Singapore since 1979 and is a Principal Mediator & Fellow of the Singapore Mediation Centre. He was awarded the Public Service Star in 2021 and was appointed as a Justice of the Peace since 2008.



**HENRY TAN SONG KOK**  
Lead Independent Director

Henry Tan Song Kok, 59, Lead Independent Director, was appointed to the Board on 1 January 2020 and was last re-appointed on 26 April 2023. He is the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of our Company. He is the Group CEO & Chief Innovation Officer of CLA Global TS Group and Director of the global board of CLA Global Limited, CLA Global Brand Limited and CLA Global Services Limited. He was previously the Asia Pacific Regional Chairman and board member of Nexia International. Mr Tan currently sits as an independent director on the boards of BH Global Corporation Ltd, Dyna-Mac Holdings Limited, Penguin International Limited and Trans-China Automotive Holdings Limited, companies listed on the SGX, as well as China New Town Development Co. Ltd, a company listed on the Hong Kong Stock Exchange.

Mr Tan is a member of AFA Working Committee 2 of ASEAN Federation of Accountants, a member of The Green Skills Committee's Sub-Workgroup on Sustainability Reporting and Assurance and a member of Certification & Disciplinary Working Group (CDWG). He is also a Council Member of Singapore-Jiangsu Cooperation Council (SJCC). He was previously on the EXCO and served as Treasurer of Singapore Fintech Association and ASEAN Federation of Accountants, President of Spirit of Enterprise, Chapter President of Entrepreneurs' Organisation, Council Member of ISCA and Chairman of Nanyang Business School Alumni Advisory Board.

Mr Tan holds a Bachelor of Accountancy (First Class Honours) from National University of Singapore. He also attended the Advanced Executive Management Development Program at Beijing Tsinghua University. He is a Fellow of the ISCA, Institute of Chartered Accountants of Australia and New Zealand, CPA Australia, Insolvency Practitioners Association of Singapore Limited, ASEAN CPA and ISCA Financial Forensic Professional Credential. He is also an Associate Member of Singapore Institute of Internal Auditors, Singapore Institute of Directors and Singapore Chartered Tax Professionals. Mr Tan is a Chartered Valuer and Appraiser and sits as a Council Member of the Institute of Valuers and Appraiser, Singapore. He is an Approved Liquidator registered with the Accounting & Corporate Regulatory Authority (ACRA) and a licensed Insolvency Practitioner by Ministry of Law.

## KEY MANAGEMENT PROFILE

### XUE RU

Chief Financial Officer

Xue Ru, 49, was appointed as the Chief Financial Officer of our Group on 20 July 2016. She is responsible for all the financial and compliance matters for our Group, including financial reporting, internal controls, taxation and human resource management. She has over 20 years of experience in finance, accounting and risk management. Prior to joining the Group, she held various managerial positions, including finance director of Hyin Engineering Pte. Ltd., chief financial officer of Hu An Cable Holdings Ltd. and finance and administration manager in Aztech Heat Exchangers Pte. Ltd..

Ms Xue graduated with a Bachelor of Economics from Nanjing University of Aeronautics and Astronautics and obtained a Master of Business Administration (Finance) from the National University of Singapore. She is a non-practicing member of the Institute of Singapore Chartered Accountants.

### DR JOYCE LAUW

Medical Director and General Manager of AVH Animal Ark Pte. Ltd..

Dr Joyce Lauw, 35, was appointed as the Medical Director and General Manager of our Company's subsidiary, AVH Animal Ark Pte. Ltd. ("**AVH Animal Ark**") on 1 March 2022. She is responsible for overseeing the delivery of veterinary care and clinical services by the veterinary clinics under AVH Animal Ark. Dr Joyce Lauw is the principal veterinary surgeon who leads and guides our Group in the development of medical protocols and in the maintenance of quality service, as well as oversees our Group's team of clinical staff.

Dr Joyce Lauw has 10 years of experience as a veterinary surgeon. In January 2014, she began her career as a veterinarian with The Animal Doctors. Subsequently, she worked as a veterinary surgeon between June 2016 and July 2018 in various veterinary clinics, including Companion Animal Surgery and Advanced VetCare Veterinary Centre. In August 2018, Dr Joyce Lauw joined AVH Animal Ark as a veterinary surgeon. She was promoted to Acting Medical Director and Acting General Manager of AVH Animal Ark in September 2021 and to her current position as Medical Director and General Manager of AVH Animal Ark in March 2022.

Dr Joyce Lauw graduated with a Bachelor of Veterinary Science from the Faculty of Veterinary Science, the University of Sydney. She is also a Certified Veterinary Acupuncturist from Chi Institute and obtained a Graduate Certificate in Small Animal Abdominal Ultrasound from University of Melbourne.



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# SUSTAINABILITY REPORT

## 1. HIGHLIGHTS

### 1.1 Message to Stakeholders

The Board of Directors (the “**Board**”) is thrilled to unveil the annual Sustainability Report (the “**Report**”) of Asia Vets Holdings Ltd. (the “**Company**” or “**AVH**”) and its subsidiaries (collectively, the “**Group**”) for the reporting period from 1 January 2023 to 31 December 2023 (“**FY2023**”).

The Group is dedicated to leading the way in pet care within Singapore, with a fundamental commitment to being a reliable partner guided by professional ethics. As an integral aspect of our strategic planning, sustainability issues have been thoroughly incorporated into our business considerations. The Board has specifically pinpointed Economic, Environmental, Social, and Governance (“**EESG**”) factors deemed critical to the Group’s operations.

To ensure the effective management of these material EESG factors, the Board maintains vigilant oversight. Regular reports from the Group’s management, responsible for ongoing monitoring and proper management of the identified material EESG factors, are a key component of this oversight. This approach underscores our unwavering dedication to sustainable practices and responsible business conduct.

We have established a Sustainability Reporting Policy (“**SR Policy**”) that outlines our sustainability strategies, reporting structure, materiality assessment, and processes for identifying and monitoring significant EESG factors. This policy serves as a foundational guide for conducting our sustainability reporting.

As part of our commitment to continuous improvement, the SR Policy emphasises ongoing monitoring, review, and updates to our material EESG factors. We are dedicated to considering feedback from our stakeholders and staying attuned to both internal organisational changes and external developments. This iterative process ensures that our sustainability practices remain responsive and aligned with evolving expectations and best practices.

In the following sections of this report, we will delve into additional initiatives undertaken by the Group to establish a sustainable business model, contributing to a brighter future for both society and the environment. Together, we embark on this meaningful journey, forging ahead with purpose and commitment.

For and on behalf of the Board

Tan Tong Guan  
Co-founder, Executive Chairman and CEO  
9 April 2024

# SUSTAINABILITY REPORT

## 1.2 About Us

The Company, through its wholly-owned subsidiary, AVH Animal Ark Pte. Ltd (the “**AVHAA**”), provides veterinary care and clinical services to small animals in Singapore. Currently, the Group operates two veterinary clinics which provide a full range of general veterinary services including medical, surgical and dental care for small animals including dogs, cats, rabbits and other pocket pets. Our veterinary clinics are Singapore Veterinary Association registered.

We pride ourselves in providing our patients with advanced diagnostic workups and the latest in medical treatments and surgical procedures. We aim to provide the highest level of care for pets under minimally stressful conditions, operating one of the few open-concept veterinary clinics in Singapore where pet owners are welcome to be with their pets throughout the whole vet visit. Complementary remedies and treatments such as acupuncture and Traditional Chinese Medicine are also available at our clinics. The Group targets to be the trusted partner at the forefront of pet care in Asia by practising the highest standard of pet care with compassion. The Group will continue to expand its operations via organic growth and acquisitions in Asia.

The Company was incorporated in Singapore in February 2010 and has been admitted to the Official List of the SGX-Catalist since July 2010.



**Vision**

To be the trusted partner at the forefront of pet care in Asia



**Mission**

To practise the highest standard of pet care with compassion



**Core Value – ACE**

Advancement

Commitment

Excellence

# SUSTAINABILITY REPORT

## 1.3 About the Report

The scope of the report covers information on material sustainability aspects of the Group, covering the period from 1 January 2023 to 31 December 2023 unless otherwise specified. This should sufficiently address stakeholders' concerns about sustainability issues arising from the major business operations of the Group. Please refer to **Appendix A** for the list of entities included in this report.

The report is prepared in compliance with Chapter 7: Continuing Obligations of Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist, 711A and 711B ("**SGX Listing Rules**") which draws on the guidance set out by the Practice Note 7F Sustainability Reporting Guide.

In addition to complying with the relevant listing rules, this report is also crafted with reference to the Global Reporting Initiative ("**GRI**") Standards, which is recognised as a comprehensive and globally accepted framework for sustainability reporting. Our report adheres to the GRI's principles for determining report content and ensuring report quality. This involves a thorough consideration of the Group's activities, their associated impacts, and the significant expectations and interests of our stakeholders. Please refer to **Appendix C** for the GRI standards content index.

Furthermore, this report is prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). We have adopted a phased approach in alignment with the recommendations in Practice Note 7F Sustainability Reporting Guide, focusing on specific areas of climate-related financial disclosures in our reporting. This approach enables us to address key aspects of climate risk and opportunities within the context of our operations and business activities. Please refer to **Appendix D** for the TCFD recommendations content index.

The data and information presented in this report have not undergone verification by an independent third party. We have maintained accuracy through internal data monitoring and verification processes. There are no restatements made from the previous report.

This Report is available for download on:









- the SGX-ST's website at the URL <https://www.sgx.com/securities/companyannouncements>; and
- The company's corporate website at the URL <https://asiavets.com/investor-relations/>.

As we seek to continually improve upon our sustainability efforts, any feedback is welcomed at [general@asiavets.com](mailto:general@asiavets.com).



# SUSTAINABILITY REPORT

## 1.4 Our Performance

Material Topics	Target for FY2023	FY2023		Target for FY2024
		Performance	Achievement	
<b>Anti-corruption</b>	Zero incidents of bribery or corruption reported	Zero incidents of bribery or corruption reported		Zero incidents of bribery or corruption reported
<b>Emissions</b>	Below 0.007 tCO <sub>2</sub> e/revenue \$'000 GHG emission intensity	0.008 tCO <sub>2</sub> e/revenue \$'000 GHG emission intensity		Below 0.007 tCO <sub>2</sub> e/revenue \$'000 GHG emission intensity
<b>Energy</b>	Below 15 kWh/revenue \$'000 energy consumption intensity	19.7 kWh/revenue \$'000 energy consumption intensity		Below 15 kWh/revenue \$'000 energy consumption intensity
<b>Employment</b>	Below 20% for new hire rate and turnover rate	23% new hire rate and 27% turnover rate		Below 20% for turnover rate
<b>Training and Education</b>	More than 10 average training hours per employee	5.13 average training hours per employee		More than 8 average training hours per employee
<b>Occupational Health and Safety</b>	Zero safety incidents	Zero safety incidents		Zero safety incidents
<b>Customer Health and Safety</b>	Zero non-compliance with regulations pertaining to the health and safety impacts of our products and services	Zero non-compliance with regulations pertaining to the health and safety impacts of our products and services		Zero non-compliance with regulations pertaining to the health and safety impacts of our products and services
<b>Customer Privacy</b>	Zero complaints reported regarding breaches of customer privacy or losses of customer data – compliance	Zero complaints reported regarding breaches of customer privacy or losses of customer data – compliance		Zero complaints reported regarding breaches of customer privacy or losses of customer data – compliance

Symbol	Meaning
	Achieved
	Not Achieved

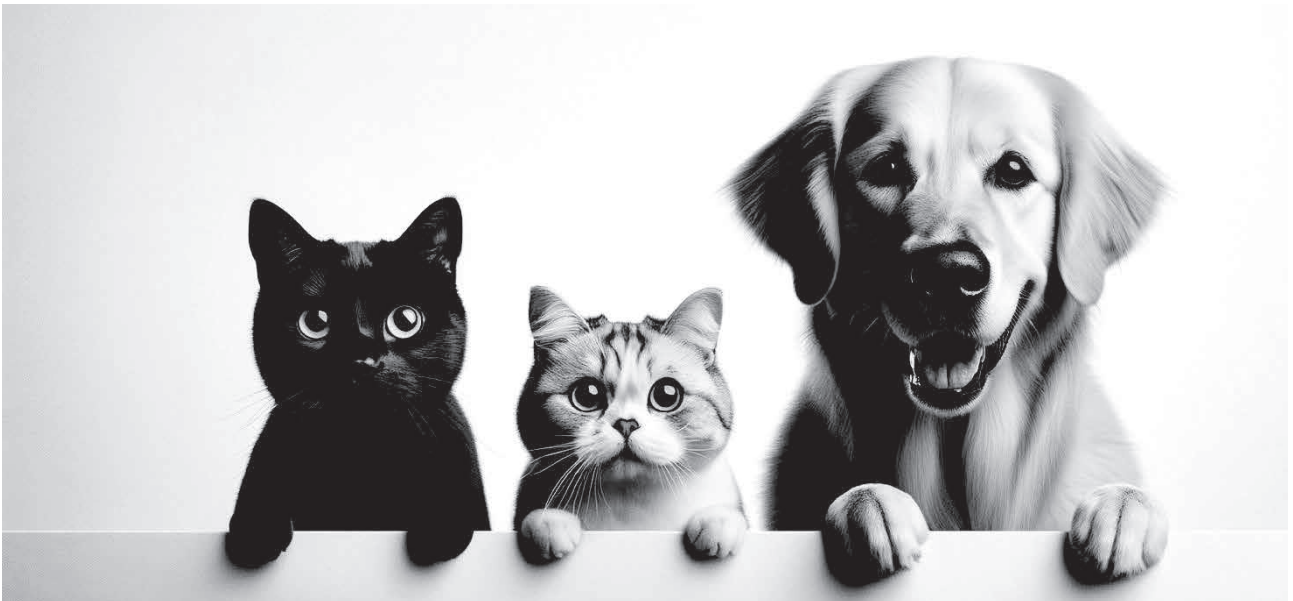
For details on our ESG metrics, please refer to the attached Sustainability Scorecard in **Appendix B**. For the methodologies for the measurement of our metrics, please refer to the appended Methodologies and Data Boundaries in **Appendix E**.

# SUSTAINABILITY REPORT

## 2. SUSTAINABILITY STRATEGY

### 2.1 Sustainability Organisational Structure

The formulation and guidance of our sustainability strategy are spearheaded by Senior Management in collaboration with the Board. Within our organisational structure, the Sustainability Working Group plays a pivotal role, consisting of key members such as the Chief Financial Officer and the Operations Manager. This group is under the leadership of the Executive Chairman and Chief Executive Officer. The primary responsibilities of the Sustainability Working Group include the execution of our sustainability strategy, scrutiny of the Group’s significant ESG impacts, consideration of stakeholder priorities, the establishment of goals and targets, and the systematic collection, verification, monitoring, and reporting of performance data for sustainability reporting.

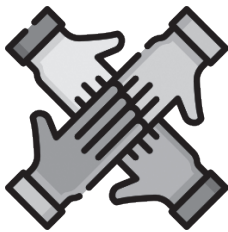


# SUSTAINABILITY REPORT

## 2.2 Materiality Assessment

In 2019, our initial materiality assessment, guided by the GRI Standards, sought to identify and engage with stakeholders to determine the EESG factors that hold significance for them. To validate and enrich this assessment, a focus group discussion was conducted. The key stakeholder groups and the identified material EESG factors, identified through this process, have remained pertinent and unchanged since the last reporting period. Our commitment extends to the periodic reassessment of these identified material EESG factors, ensuring their continued relevance to our sustainability initiatives.

In accordance with the GRI Standards, we applied the four reporting principles to decide which content to include in the Report by considering the Group’s activities, impacts, and the substantive expectations and interests of our stakeholders.



**Stakeholder Inclusiveness**

Defining stakeholders and explaining how the Group has responded to their expectations and interests.



**Sustainability Context**

Presenting the Group’s performance in the wider context of sustainability.



**Materiality**

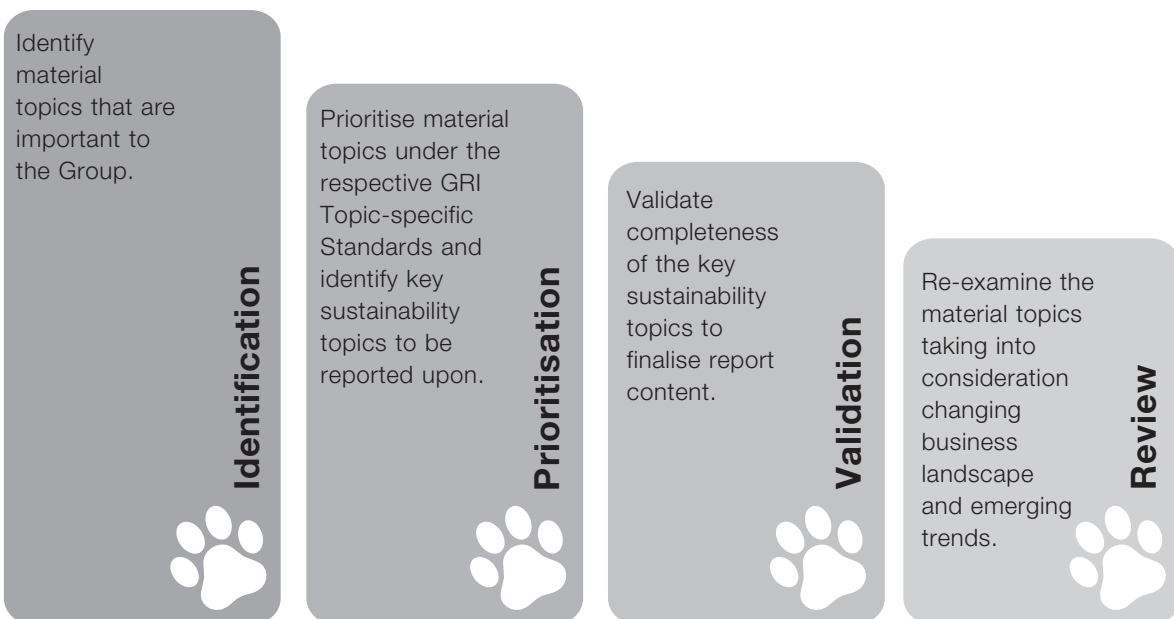
Identifying the Group’s significant EESG factors.



**Completeness**

Disclosing significant EESG factors and boundaries to assess the Group’s performance in the reporting period.

The Group has adopted the four-step approach below to identify the relevant topics for reporting:







# SUSTAINABILITY REPORT

## 2.3 Stakeholder Engagement

We recognise the need to continuously develop our responsible business approach to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and the Group.

Each of our valued stakeholders brings resources to AVH regardless of where they fall in the value chain. Our core value has always been about valuing our stakeholders and becoming a trusted partner to them. Stakeholder groups engaged by us are set out below.

Stakeholders	Basis for Determining Stakeholders	Engagement Method	Frequency of Engagement	Area of Concerns
<b>Employees</b>	Employees execute the direction of the Group	<ul style="list-style-type: none"> <li>Different modes of communication such as face to face, tele and videoconferencing</li> <li>Annual performance review</li> <li>Training</li> <li>Survey</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Annually</li> <li>Annually</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Safe working environment</li> <li>Fair benefits and compensation</li> <li>Equal employment opportunities</li> <li>Adequate training provided</li> </ul>
<b>Customers</b>	Customers' needs influence the direction of the Group	<ul style="list-style-type: none"> <li>Different modes of communication such as face to face, tele and videoconferencing</li> <li>Website</li> <li>Talks and seminars</li> <li>Survey</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>As and when required</li> <li>As and when required</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Safe and calming environment</li> <li>Quality of products and services</li> <li>Qualification and competency</li> <li>Data privacy</li> </ul>
<b>Investors</b>	Influence on Management's decisions and responsibility towards investors	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Company's corporate website</li> <li>Announcements via SGXNet</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Governance and transparency</li> <li>Anti-corruption</li> </ul>
Suppliers	Dependency on suppliers to carry out business operations	<ul style="list-style-type: none"> <li>Collaboration meetings</li> <li>Survey</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Prompt payment</li> <li>Feedback on supplies</li> </ul>
Regulators	Compliance with local laws and regulations	<ul style="list-style-type: none"> <li>Reporting platform</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> </ul>

# SUSTAINABILITY REPORT

## 2.4 Sustainability Materiality

Based on the stakeholder engagement, we crafted a sustainability materiality matrix that focuses on key aspects aligned with our principal business and operational risks. This matrix has played a pivotal role in shaping our sustainability strategy, as illustrated in the accompanying diagram. Topics situated in the top right quadrant are deemed material to the Group and will be addressed in this report.



# SUSTAINABILITY REPORT

## 2.5 Material Factors

In response to escalating concerns over climate change, particularly related to Greenhouse Gas (“GHG”) emissions, our business has introduced a new material topic focused on Emissions, emphasizing our commitment to addressing environmental impacts; additionally, we have incorporated Occupational Health and Safety as another material topic, reflecting our dedication to enhancing workplace safety and meeting stakeholder expectations.

Material Topic	Reason for Materiality	Concerns Addressed	GRI Standard Disclosure	Area of Concerns Within AVH	Area of Concerns Outside AVH
<b>Economic and Governance</b>					
<b>Economic Performance</b>	Poses significant effects towards investors	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Quality of Products and Services</li> <li>Qualification and Competency</li> </ul>	<ul style="list-style-type: none"> <li>201-1</li> </ul>	√	
<b>Procurement Practices</b>	Poses significant effects towards suppliers	<ul style="list-style-type: none"> <li>Prompt Payment</li> <li>Feedback on Supplies</li> </ul>	<ul style="list-style-type: none"> <li>204-1</li> </ul>	√	
<b>Anti-corruption</b>	Poses significant effects towards investors, suppliers and regulators	<ul style="list-style-type: none"> <li>Governance and Transparency</li> <li>Regulatory Compliance</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>205-1</li> <li>205-2</li> <li>205-3</li> </ul>	√	
<b>Environment</b>					
<b>Energy</b>	Poses significant effects towards investors, customers and regulators	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>302-1</li> <li>302-3</li> </ul>	√	
<b>Emissions</b>	Poses significant effects towards investors, customers and regulators	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>305-2</li> <li>305-4</li> </ul>	√	
<b>Waste</b>	Poses significant effects towards regulators	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>306-1</li> <li>306-2</li> </ul>	√	

# SUSTAINABILITY REPORT

Material Topic	Reason for Materiality	Concerns Addressed	GRI Standard Disclosure	Area of Concerns	
				Within AVH	Outside AVH
<b>Social</b>					
<b>Employment</b>	Poses significant effects towards employees	<ul style="list-style-type: none"> <li>Fair Benefits and Compensation</li> </ul>	<ul style="list-style-type: none"> <li>401-1</li> </ul>	√	
<b>Occupational Health and Safety</b>	Poses significant effects towards employees and regulators	<ul style="list-style-type: none"> <li>Safe Working Environment</li> </ul>	<ul style="list-style-type: none"> <li>403-2</li> <li>403-9</li> <li>403-10</li> </ul>	√	
<b>Training and Education</b>	Poses significant effects towards employees	<ul style="list-style-type: none"> <li>Adequate Training</li> </ul>	<ul style="list-style-type: none"> <li>404-1</li> <li>404-2</li> <li>404-3</li> </ul>	√	
<b>Diversity and Equal Opportunity</b>	Poses significant effects towards employees	<ul style="list-style-type: none"> <li>Equal Employment Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>405-1</li> </ul>	√	
<b>Non-discrimination</b>	Poses significant effects towards employees	<ul style="list-style-type: none"> <li>Equal Employment Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>406-1</li> </ul>	√	
<b>Customer Health and Safety</b>	Poses significant effects towards customers	<ul style="list-style-type: none"> <li>Safe and Calming Environment</li> <li>Quality of Products and Services</li> <li>Qualification and Competency</li> </ul>	<ul style="list-style-type: none"> <li>416-2</li> </ul>	√	
<b>Customer Privacy</b>	Poses significant effects towards customers	<ul style="list-style-type: none"> <li>Data Privacy</li> </ul>	<ul style="list-style-type: none"> <li>418-1</li> </ul>	√	



# SUSTAINABILITY REPORT

## 3. PERFORMANCE

### 3.1 Economic and Governance

#### Economic Performance

The majority of the Group's revenue comes from providing veterinary services and selling veterinary medicines. There was a 4% decrease in revenue, dropping from \$2.4 million to \$2.3 million compared to FY2022. This decline is primarily attributed to a reduction in the number of veterinary technicians, along with heightened market competition in comparison to FY2022.

**\$2.3m**

Direct economic value generated

The Group is actively looking for opportunities to diversify the revenue stream through acquisitions. One key initiative involves pursuing potential acquisitions that leverage the Group's expertise and strengths, potentially extending beyond the veterinary industry.

#### Procurement Practices

The Group places significant importance on building reliable supply chains by actively pursuing the ongoing diversification of our sourcing network.

**76**

Total Vendors

In FY2023, we expanded our network to include a total of 76 vendors, showing an increase from the 70 vendors we had in FY2022. This strategic move is motivated by our commitment to enhance the resilience of our supply chains and ensure a steady flow of resources for our operations.

**75**

Local Vendors

A significant majority, with 75 out of 76 vendors, are locally based in Singapore, aligning with our operational presence, while one vendor originates from Australia. This highlights our dedication to supporting the local economy, as a substantial 99.9% of our procurement spending is directed towards these domestic vendors. We aim to maintain at least 95% of purchases from local suppliers, a target integrated as one of the key performance indicators ("KPIs") for our key management personnel. Our commitment to sourcing goods and services locally not only brings benefits such as shorter delivery times, more effective communication, and a stable supply but also strengthens our ties with the community and contributes to the overall economic vitality of Singapore.

**99.9%**

Procurement Spending on Local Vendors

#### Business Ethics and Anti-corruption

The Group is firmly dedicated to upholding the highest standards of ethical, moral, and legal business conduct and has embraced a zero-tolerance stance towards bribery and corruption. Integrity is revered as the guiding principle in all interactions with customers, shareholders, business partners, employees, and the general public. The Group is committed to upholding these standards consistently.



# SUSTAINABILITY REPORT

AVH has implemented a **Code of Business Conduct and Ethics** outlining the principles applicable to all Group employees. This code extends to Directors, key Management personnel, and all staff, urging them to adhere to the utmost standards of ethical, moral, and legal business conduct. Compliance with laws and regulations is expected from everyone associated with the Group. The Group has put in place a **Discipline Proceeding Policy** with the primary objectives of guiding, coaching, and fostering improvement in individual attitudes, behaviours, and habits. Disciplinary actions will be taken against employees who violate the established rules of conduct.

Aligning with this commitment to transparent communication and sound corporate governance, we have instituted a **Whistle-blowing Policy**. This policy is distributed to all members of the governance body and employees, serving as a guide to help them identify and address potential instances of corruption that they might encounter or observe and as a platform for both employees and external parties to confidentially report concerns related to any wrongdoings, malpractices, or potential irregularities within the Group and its workforce. Individuals reporting such concerns are assured protection from reprisals or victimization, provided that their whistle-blowing is done in good faith and without malicious intent. This underscores our commitment to fostering an environment where open communication is encouraged, and ethical conduct is prioritised.

To maintain the utmost standards of corporate governance, the Group adheres to responsible business practices and complies with relevant acts, laws, rules, and regulations.

This ensures that the business judgments and decision-making of employees and directors remain uninfluenced by personal interests that could create a conflict with the Group. Each employee and director must submit a Conflict of Interest Declaration in accordance with AVH's policy. The Group extends this requirement to its new suppliers, who must submit a Conflict of Interest Declaration before commencing a business relationship. Any activity that may pose a conflict must be avoided or terminated unless the Management determines it is not detrimental to the Group or otherwise improper.

In FY2023, we have met our target of maintaining zero incidents of bribery or corruption reported and we look forward to maintaining this for FY2024.

## Zero

Incidents of bribery or corruption reported

### 3.2 Environment

#### Climate Resilience

The Group recognizes the pressing issue of climate change and is proactively formulating policies to identify and mitigate both physical and transition risks associated with climate change that could affect our operations. Our primary goal is to manage these risks sustainably, ensuring the long-term viability of our business.

Our commitment to transparency is unwavering, and we aim to align our disclosure practices with the recommendations of the TCFD. We regularly update stakeholders to demonstrate our dedication to addressing climate-related risks and upholding sustainable practices. In our daily operations, we actively strive to reduce carbon emissions. We diligently monitor and review our carbon footprint, identifying areas where impactful solutions can be implemented.



# SUSTAINABILITY REPORT

## Governance

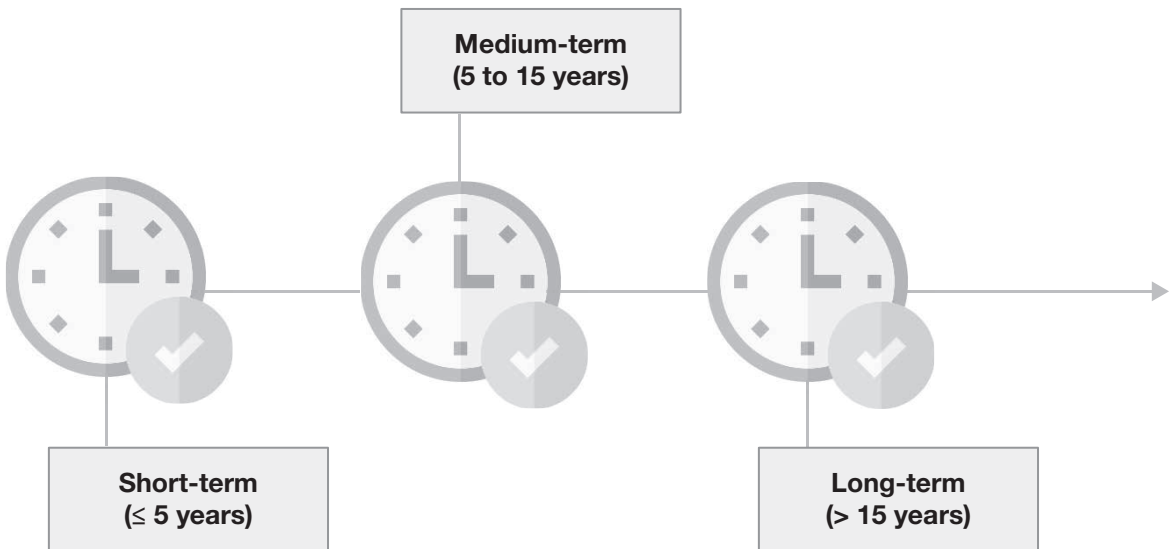
Sustainability holds a central position in our corporate strategy as we strive for enduring growth. The impact we create for our stakeholders – ranging from our employees to the environment and society at large – significantly shapes our financial performance.

To champion our dedication to sustainability, our committed Senior Management actively cultivates a sustainability-focused culture within AVH. They efficiently supervise and manage the overall sustainability performance on behalf of the Board.

The execution of diverse sustainability initiatives throughout the Group’s operations is entrusted to our Sustainability Working Group. Their responsibility is to implement and drive these initiatives, ensuring the integration of sustainable practices across our business activities.

## Strategy

In FY2023, in collaboration with an external consultant, we undertook an assessment of climate-related risks and opportunities. This involved a meticulous evaluation that took into account both the likelihood and potential impact of climate risks and opportunities on our business. We categorized these risks and opportunities into three distinct time horizons:



# SUSTAINABILITY REPORT

The following are the key climate-related risks and opportunities identified:



## Transitional

- **Short-term**

- The business faces **evolving regulations**, marked by increased scrutiny and higher susceptibility to legal action, particularly in the realm of sustainability reporting obligations. Conversely, there is a potential positive impact from heightened government support for sustainability-related projects, such as the provision of grants. The Group anticipates a potential increase in compliance costs stemming from enhanced sustainability reporting, and it is actively monitoring new requirements from SGX as well as assessing climate risks to ensure effective adaptation within existing processes.
- The Group is grappling with increased operational costs due to a **rise in electricity prices** in Singapore, driven by the implementation of a carbon tax in the energy market. Mitigation measures, including regular equipment maintenance and ongoing initiatives such as maintaining specific air conditioning temperatures and reminders to employees for energy conservation, are currently in progress.

- **Medium-term**

- The Group acknowledges the **shifting customer preference towards eco-friendly products** and recognizes the potential impact on pet clinic choices. Measures to address this include managing the rising costs of low GHG emissions veterinary supplies, making strategic capital investments in energy-efficient equipment while retiring older assets, and ongoing initiatives like placing recycling bins in clinics.

# SUSTAINABILITY REPORT



## Physical

- **Medium-term**

- Climate-induced changes pose challenges for pet clinics, with rising temperatures contributing to a heightened incidence of **infectious diseases, parasites, and heat-related illnesses** in pets. This surge may elevate the demand for emergency veterinary services during heatwaves, potentially straining clinic resources. Despite these challenges, AVH identifies an opportunity by offering preventive care packages to pet owners, aiming to safeguard pets against both infectious diseases and heat-related illnesses.
- Extreme **weather events** can significantly impact AVH, leading to disruptions in the supply chain and damage to facilities and assets. The potential risks involve harm to employees and pets, including casualties, injuries, and fatalities as well as financial losses and operation disruption due to the damaged assets. This can result in reduced revenue due to limited availability of veterinary supplies, increased costs for repairing and replacing assets, and a rise in medical and insurance expenses. To mitigate these challenges, AVH has implemented strategies such as maintaining a one-month inventory of medicine, sourcing supplies locally with stock in Singapore, and strategically locating clinics outside flood zones.

### Risk Management

AVH has set up an Enterprise Risk Management (“**ERM**”) framework and register to spot, handle, and keep an eye on the business and operational risks that affect the Group. The Management regularly reviews the risk universe, evaluating the likelihood and impact, identifying causes and consequences, assessing existing controls, and devising future action plans. The Board, with the support of the Audit Committee, bears the ultimate responsibility for risk governance. They supervise the creation, execution, and monitoring of the Group’s risk management and internal control systems.

AVH acknowledges the importance of a robust strategy and risk management framework in our sustainability initiatives, driven by increasing scrutiny from regulatory bodies, investors, and stakeholders. Our focus is on integrating sustainability and climate-related factors into our ERM framework and our decision-making processes. For the evaluation of climate risks and opportunities, we utilise climate scenarios developed from the 6th Assessment Report (“**AR6**”) from the Intergovernmental Panel on Climate Change (“**IPCC**”) to rank risks based on their likelihood and impact magnitude. Likelihood ratings range from rare to almost certain and impact ratings range from Severe to Insignificant. This enables us to prioritise risks and initiatives, and accordingly, allocate resources based on their significance.

# SUSTAINABILITY REPORT

## Emissions

In our unwavering commitment to environmental responsibility and the ongoing fight against climate change, we conducted an examination of our GHG emissions for reporting purposes in FY2023.

Our primary focus centred on the assessment of Scope 2 emissions, primarily stemming from electricity consumption in our pet clinics. We evaluated Scope 1 emissions and identified them as immaterial.

To ensure accuracy and adherence to industry standards, we adopted the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development. This protocol serves as the benchmark guide for measuring corporate greenhouse gas emissions.

In FY2023, our total GHG emissions reached 19.1 tonnes of CO<sub>2</sub> equivalent ("**tCO<sub>2</sub>e**"), marking a 8.75% increase compared to the FY2022 total of 17.6 tCO<sub>2</sub>e. The GHG emissions intensity for FY2023, calculated at 0.008 tCO<sub>2</sub>e per revenue \$'000 ("**tCO<sub>2</sub>e/revenue \$'000**"), shows a 15% increase from the FY2022 intensity of 0.007 tCO<sub>2</sub>e/revenue \$'000.

As such, we did not meet the target we set for FY2023 which we aim to maintain our GHG emissions intensity of below 0.007 tCO<sub>2</sub>e/revenue \$'000. The main reason for the increased GHG emissions intensity is the higher electricity costs. This is because fewer tenants are sharing the office unit, meaning we, along with the landlord and remaining tenants, now bear a larger portion of the electricity expenses. Additionally, our pet clinic in the Tampines area of Singapore has added another veterinarian to provide consultation services, resulting in longer operational hours.

Moving forward, we will continue to commit to reducing and maintaining our GHG emissions intensity of below 0.007 tCO<sub>2</sub>e/revenue \$'000.

## Energy

AVH primarily relies on municipal-supplied electricity to power the pet clinics and medical equipment, constituting our major energy consumption.

In our commitment to energy conservation, we employ energy-saving lights and air conditioners. The usage of medical equipment is optimised, being switched on only when necessary for medical procedures or surgeries. Additionally, proactive measures like regular equipment maintenance and adherence to specific air conditioning temperatures, coupled with reminders to employees to conserve electricity, further contribute to our energy conservation initiatives.

In FY2023, the Group consumed a total of 45,923 kilowatt hour ("**kWh**") of electricity, a 13% increase compared to the FY2022 total of 40,578 kWh. The electricity consumption intensity for FY2023 of 19.7 kWh per revenue \$'000 ("**kWh/revenue \$'000**"), shows a 14.89% increase from the FY2022 intensity of 16.8 kWh/revenue \$'000.

# 19.1 tCO<sub>2</sub>e

Total GHG emissions

# 0.008 tCO<sub>2</sub>e

GHG emissions per revenue \$'000

# 45,923 kWh

Total electricity consumption

# 19.7 kWh

Electricity consumption per revenue \$'000





# SUSTAINABILITY REPORT

As such, we did not meet the target we set for FY2023 which we aim to maintain our electricity consumption intensity of below 15 kWh/revenue \$'000. The reason for the increase in electricity usage has been shared in the previous section. Moving forward, we continue to commit to reducing and maintaining our energy consumption intensity of below 15 kWh/revenue \$'000.

## Waste

We acknowledge the significance of responsible waste management in safeguarding the environment within our operational domain. Consequently, we are committed to enhancing the management of waste generated in our pet clinics. Our business operations are governed by various environmental laws and regulations that prescribe the proper disposal of medical waste.

To ensure compliance with these regulations, we have instituted internal policies and implemented systems that include guidelines for the proper handling of equipment, needle sticks, sharp objects, and medical waste. Monitoring of our biohazard waste is carried out by our operations team. Consequently, they oversee and ensure the proper disposal of such waste by licensed collectors. Non-hazardous wastes, primarily originating from domestic sources, are considered insignificant due to their non-threatening nature.

We are pleased to report that there were no instances of non-compliance with environmental laws and regulations during FY2023. Moving forward, our commitment is to consistently maintain a record of zero incidents of non-compliance with environmental laws and regulations. Additionally, we are actively working towards disclosing the quantity of hazardous wastes in the upcoming sustainability report.

## Water

We have included the disclosure of our water consumption for the first time in our sustainability report, aligning with SGX-ST requirements, even though it is not deemed a material EESG factor for the Group. The water supplied is sourced from the municipality. The predominant source of our water consumption arises from the day-to-day operations of our pet clinic, including activities such as cleaning, bathing, and maintaining hygiene for both pets and equipment.

To promote water conservation, we engage in ongoing initiatives to educate our employees on responsible water practices. Alongside these efforts, we have integrated water-saving equipment and established a routine inspection system to promptly address any issues, including the prompt repair of dripping taps.

In FY2023, we consumed a total of 149 meter cubes ( $m^3$ ) of water, a 14% decrease compared to the FY2022 total of 174  $m^3$ . This is equivalent to 0.06  $m^3$  per revenue \$'000 ( **$m^3$ /revenue \$'000**), a 14% decrease compared to the FY2022 of 0.07  $m^3$ /revenue \$'000.

**149** $m^3$

Total water consumption

**0.06** $m^3$

$m^3$  per revenue \$'000

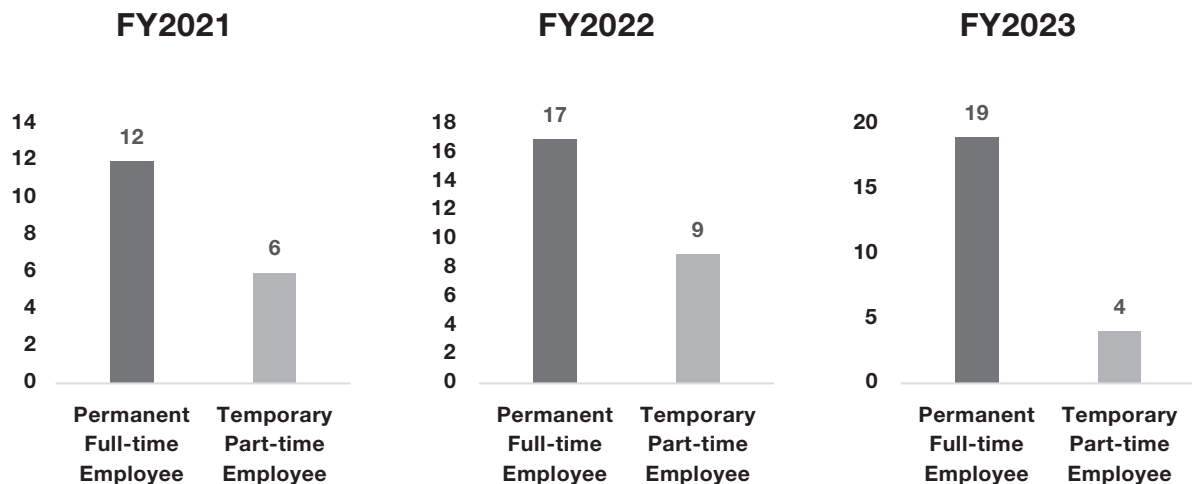
# SUSTAINABILITY REPORT

## 3.3 Social

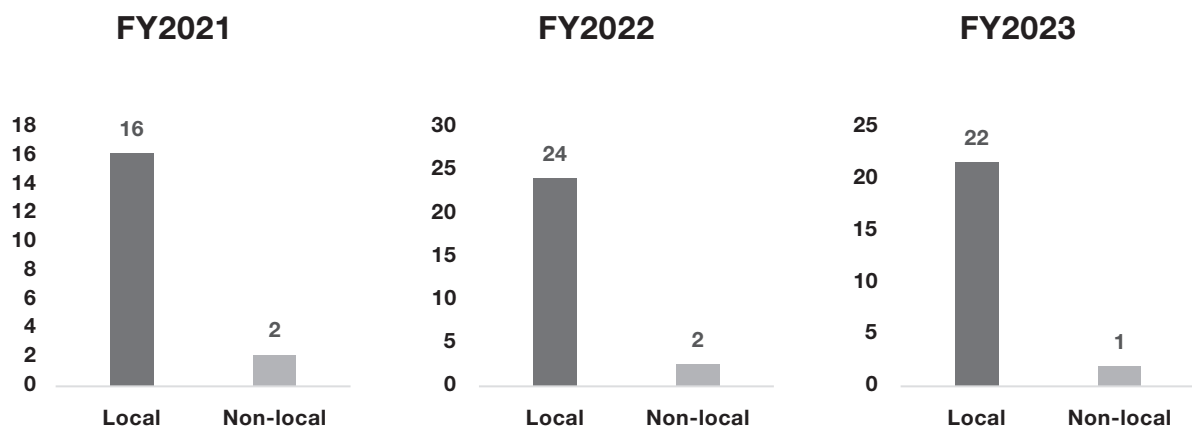
### Employment

We hold the firm belief that our employees constitute our most valuable assets. Our commitment extends towards cultivating a positive and enriching working environment, ensuring their well-being, and offering fair compensation and benefits. Recognising the pivotal role our workforce plays in our success, we strive to foster a workplace that values professional growth, job satisfaction, and overall employee welfare. We adhere to all human resource rules and regulations, such as work hours, leave policies, employee benefits, and employee privacy, to ensure fair practices in providing benefits and remuneration to our employees.

In FY2023, our total workforce experienced a slight reduction from 26 employees to 23. Nevertheless, we continue to expand our permanent full-time employees. Our permanent full-time employee as at the end of FY2023 increased by 2 compared to FY2022 and by 7 compared to FY2021, with 19 out of the 23 employees being classified as permanent full-time employees. The following graphs illustrate our employment profile by contract type as at 31 December 2021, 2022 and 2023.



All our employees are based in Singapore and contribute their efforts to the operations of the Group in Singapore. The majority of our workforce comprised local employees, reflecting our commitment to engaging and supporting the local community. In FY2023, 22 out of 23 total employees are local. The following graphs illustrate our employment profile by nationality as at 31 December 2021, 2022 and 2023.

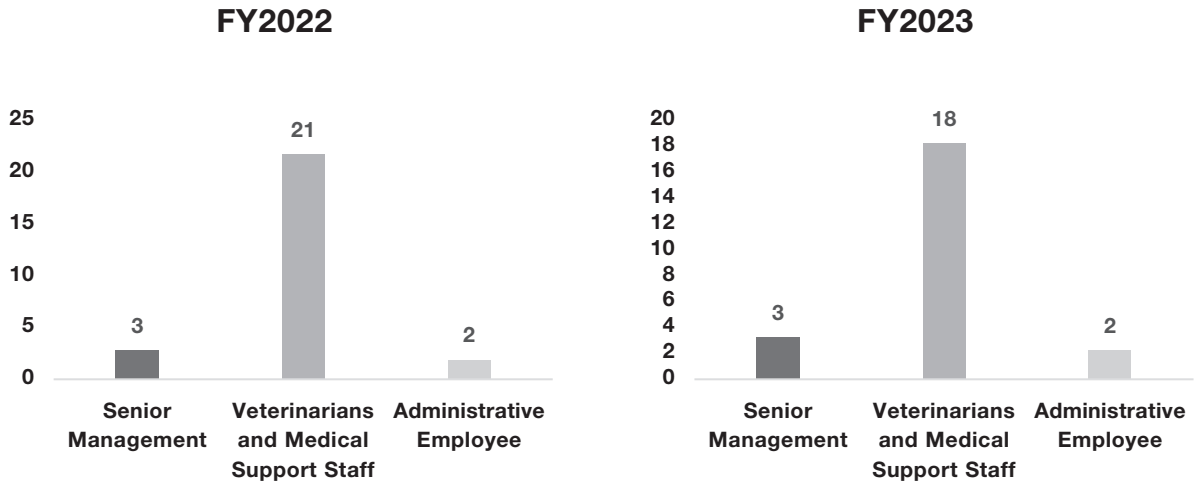




# SUSTAINABILITY REPORT

Out of our total workforce of 23 employees, a significant portion, consisting of 18 employees, is dedicated to the core functions of our pet clinic, including veterinarians and medical support staff. This skilled team is complemented by 2 administrative employees who provide essential support in ensuring smooth day-to-day operations. Additionally, our Senior Management comprised 3 personnel who contribute to the strategic direction and leadership of our organisation.

We commenced the tracking of our employees by categories in FY2022. The following graphs illustrate our employment profile by categories as at 31 December 2022 and 2023.



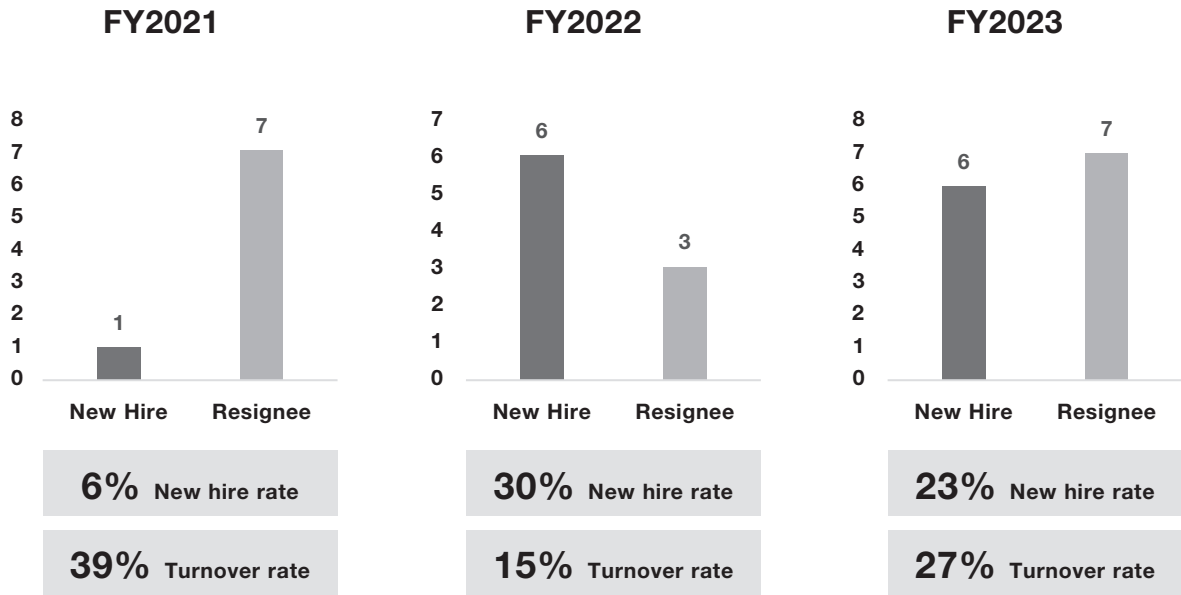
In FY2023, our team welcomed 6 new employees, each contributing valuable skills and expertise to our collaborative and dynamic work environment. Notably, our new hire rate decreased to 23% in FY2023, down from 30% in FY2022.

Throughout the year, we observed a total of 7 resignations within our organisation. It is noteworthy that most of these departures were driven by individuals pursuing new opportunities, and we extend our sincere best wishes to each of them in their future endeavours. Our turnover rate has increased from 15% in FY2022 to 27% in FY2023.

We aim to maintain a sustainable turnover rate of below 20% in the long term. We did not achieve this target for FY2023. The primary factor behind the increase in turnover rate is the industry-wide shortage of veterinarians and nurses.

# SUSTAINABILITY REPORT

The following graphs illustrate our new hire and resignee for FY2023 and the two preceding financial years ended 31 December (“FYs”).



## Our Internship Programs

AVH collaborates closely with Temasek Polytechnic as a dedicated partner in their Student Internship Program (“SIP”) tailored for students enrolled in the Diploma in Veterinary Technology course. These students engage in a six-month “on-the-job” training and mentorship program at AVH. Furthermore, AVH has established a partnership with NUS TalentConnect to provide a credit-bearing Final Year Internship program for NUS Life Sciences final year students. Both SIP and the Final Year Internship program offer interns well-structured career development pathways and personalized guidance from mentors, all seamlessly integrated into our talent development plan.



## Christmas Gathering 2023

In FY2023, our company hosted a series of memorable events, one of which was a festive Christmas gathering that brought our team together in a spirit of joy and camaraderie. The Christmas event was a special occasion where employees came together to celebrate the holiday season.





# SUSTAINABILITY REPORT

## Diversity and Non-discrimination

At AVH, diversity is not just a value; it is ingrained in our core philosophy. We champion a workplace where everyone, regardless of gender, age, or nationality, is afforded equal opportunities. Our commitment extends beyond mere rhetoric, as we make employment decisions based solely on individual merits. By fostering a culture that values diversity, we not only embrace the unique perspectives and talents of each team member but also contribute to a more inclusive and enriched work environment.

The Board has implemented a **Board Diversity Policy**, establishing a framework to promote diversity within the board. Recognizing the importance and advantages of a diverse Board in enhancing performance, the Group conducts regular assessments of AVH Directors' competencies to ensure effective governance. To address the ever-evolving business landscape, the Group remains receptive to appointing new Directors possessing the necessary skillset, expertise, experience, and knowledge as deemed necessary. Ensuring an optimal balance and diversity of skills, experience, and knowledge within the Board and its Board Committees, the Directors collectively contribute to the effectiveness of the Group.

Our Board consists of four directors, evenly split between two independent and two non-independent members. One of the four directors is female, contributing to a 25% gender diversity rate. Additionally, all directors on our Board are aged 50 and above. For a detailed biography of our Directors, please refer to pages 6 to 7 of our Annual Report 2023.

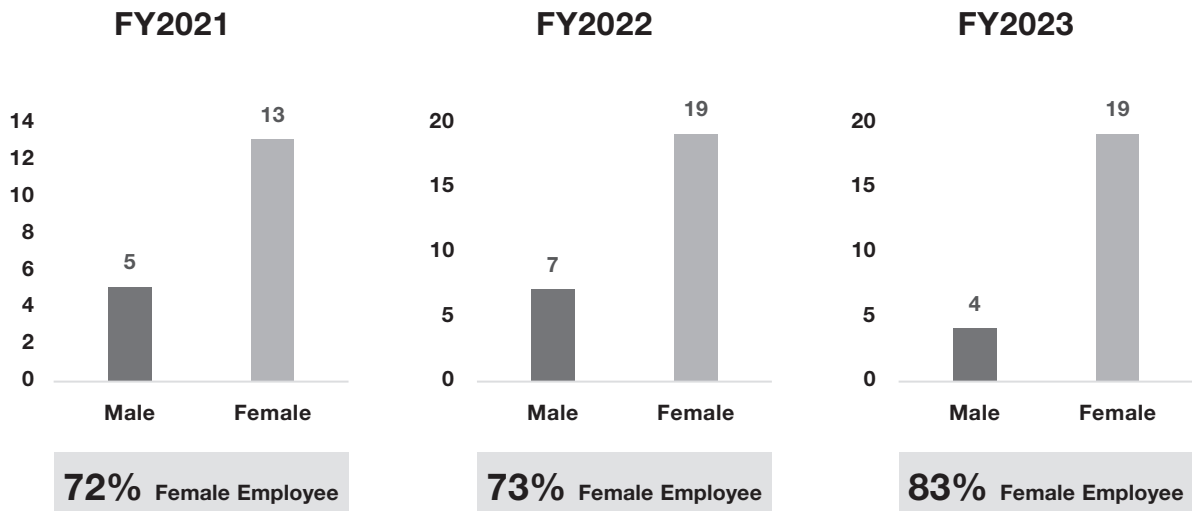
The Group maintained a robust stance against discrimination, reaffirming its commitment to upholding the rights and dignity of every employee. In FY2023, there were no reported incidents of discrimination.

In FY2023, our workforce comprised 19 female employees, constituting approximately 83% of the total employee count, an increase from the 73% reported in FY2022. This change can be attributed to the relatively modest size of our overall employee base. The following graphs illustrate our employment profile by gender as at 31 December 2021, 2022 and 2023.

**50%**  
Independent Directors

**25%**  
Female Director

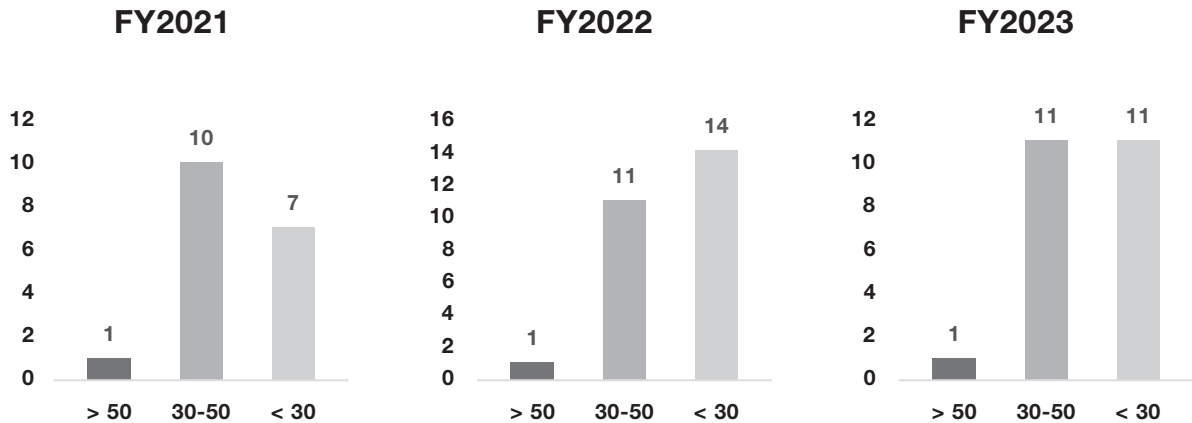
**Zero**  
Reported incidents of discrimination



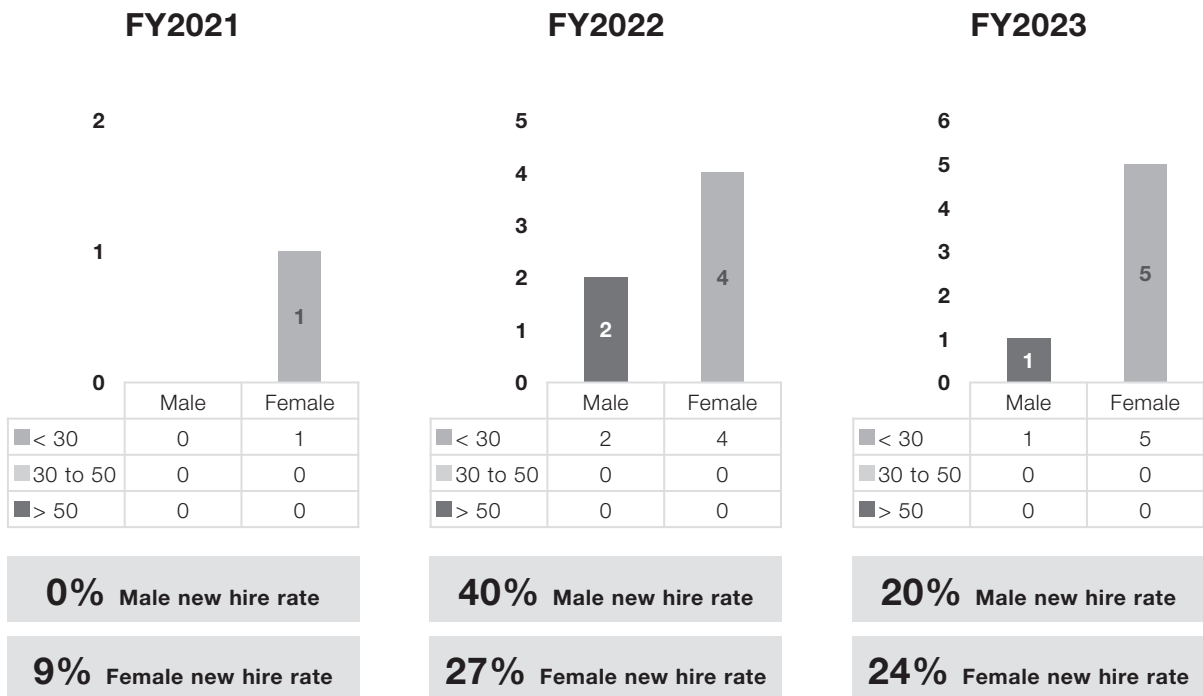


# SUSTAINABILITY REPORT

In FY2023, our employee demographics reveal 11 employees below the age of 30, 11 employees within the age range of 30 to 50, and one employee surpassing the age of 50. The following graphs illustrate our employment profile by age group as at 31 December 2021, 2022 and 2023.

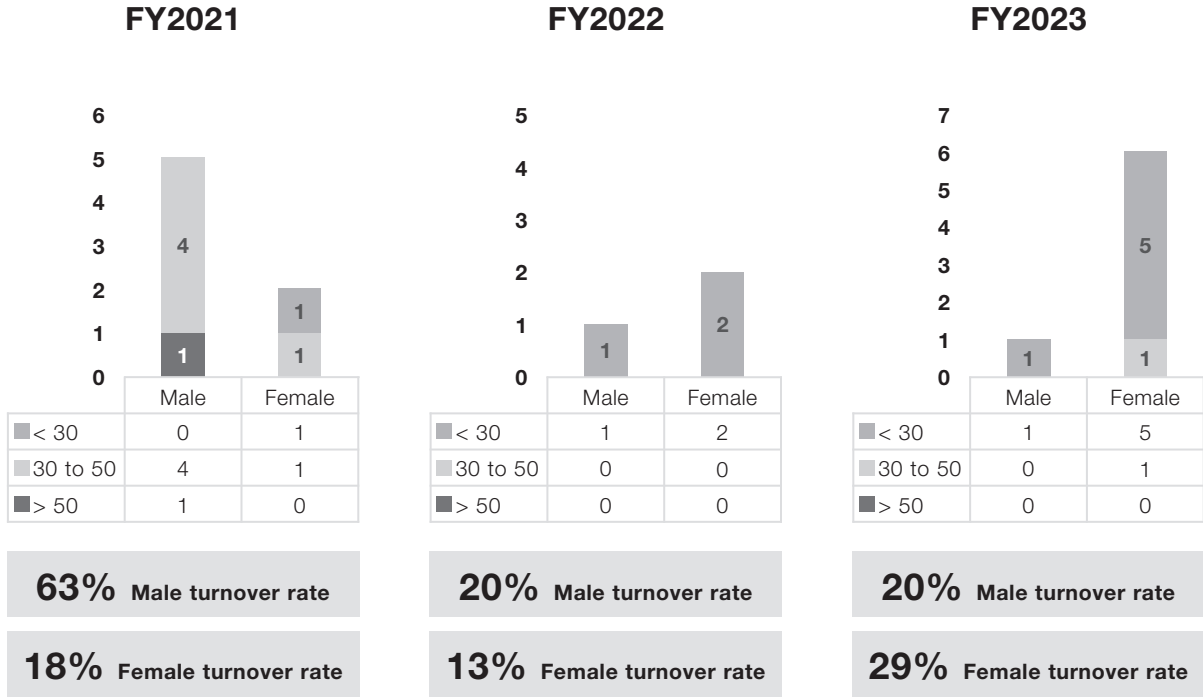


Out of the 6 new hires, 5 are female, and all of them are below 30 years old. On the other hand, among the 7 resignees, 6 are female, with 1 falling within the age range of 30 to 50, while the remaining 6 are below 30 years old. The following graphs illustrate our new hires by gender and age group for FY2023 and the two preceding FYs.



# SUSTAINABILITY REPORT

The following graphs illustrate our resignees by gender and age group for FY2023 and the two preceding FYs.



## Training and Education

At AVH, we prioritise a culture of continuous learning, training, and development for every team member. We actively encourage our staff to embrace new skills and stay current with evolving veterinary practices, ensuring the delivery of top-notch care to our patients. This not only fosters professional growth but also nurtures the personal development of each individual.

We firmly believe that providing clear job training for new employees is crucial in ensuring their sustained excellent performance moving forward. In the first 3 months of their tenure, new hires undergo a thorough performance assessment. During this period, they actively participate in on-the-job training, closely shadowing senior colleagues. This immersive experience ensures a smooth integration into our operational procedures, setting the foundation for their successful contribution to the team.

Through ongoing assessments, we proactively identify skill gaps and recognise areas for improvement among our employees via training initiatives. We prioritize the annual appraisal process, offering a comprehensive review of performance and career development for all our permanent employees. This collaborative platform fosters an opportunity for both AVH and its employees to enhance the performance of its employees, and aids in the pursuit of individual career aspirations.

Emphasising individual development plans, we highlight the importance of effective motivation and encouragement in elevating employee satisfaction, ultimately contributing to improved organisational performance. This approach ensures a continuous refinement of our collective capabilities. Our team members are provided with opportunities to enrich their skill sets, contributing to the enhanced efficiency of the Group's operations. We also support external development courses to enhance the competencies of our employees.

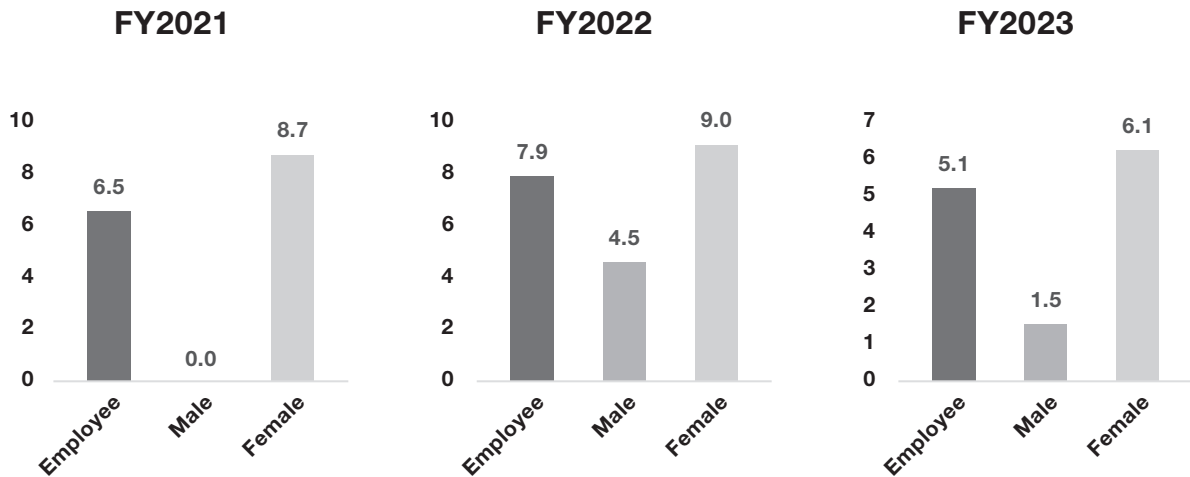
# SUSTAINABILITY REPORT

In FY2023, we witnessed a reduction in our total training hours, decreasing from 135 hours to 98 hours. This resulted in the average training hour per employee dropping from 7.9 hours in FY2022 to 5.1 hours in FY2023. As such, we did not achieve the average training hours per employee of 10 hours which we have set as a target for FY2023. The shortage of manpower has led to insufficient training time available. Given this, we have revised our target for the average training hours per employee from 10 hours to 8 hours.

## 5.1 hours

Average Training Hour per employee

In FY2023, our average training hours by gender indicate that males average training hours of 1.5 hours, while females average training hours of 6.1 hours. The following graphs illustrate our average training hours per employee and by gender for FY2023 and the two preceding FYs.



### Occupational Health and Safety

Ensuring the safety of our pet clinics is not just a priority but a commitment to providing a secure environment for both our staff and the animals under our care. We recognise the diverse safety hazards inherent in our operations, ranging from handling potentially aggressive animals to slippery surfaces, avoiding needlestick injuries, and electrical risks. To address this, we place a strong emphasis on safety measures. Our established policies and procedures serve as a robust framework, offering clear guidance to our team to proactively identify and mitigate safety hazards.

## Zero

Fatalities

## Zero

High-consequence injuries



# SUSTAINABILITY REPORT

We mandate that our employees demonstrate proficiency not only in the careful handling of pets but also in effectively managing equipment and possessing a thorough understanding of medical procedures. Particularly noteworthy is our stringent requirement for employees handling ionising irradiating apparatus to hold a L5 license. This license, a prerequisite for anyone involved in the use, operation, energising, or supervision of ionising radiation irradiating apparatus, underscores our commitment to ensuring the highest safety standards in our clinics.

In FY2023, our commitment to safety resulted in a commendable achievement, and we recorded zero safety incidents in our pet clinics. This accomplishment fuels our determination to perpetuate the highest standards of safety in the future. Our goal is to sustain a pristine record of zero safety incidents, reflecting our steadfast dedication to the well-being of our staff, the animals we care for, and the overall integrity of our operations.

## Customer Health and Safety

We take great pride in maintaining the utmost standards of pet healthcare. The well-being, safety, and health of our patients stand as our paramount priorities. Our commitment to adhering to stringent regulations governing the safety of our products and services is ingrained in our fundamental practices. This dedication serves as the cornerstone of our ability to consistently provide safe and reliable offerings to our customers. In line with our commitment to providing peace of mind to pet owners, AVH operates as an open clinic. Our team welcomes owners to observe their pets during any medical procedure, be it a routine vaccination or a complex surgery. This transparency is designed to reassure owners that their beloved pets are in safe and caring hands throughout every aspect of their healthcare journey.

In FY2023, we achieve our target of zero instances of non-compliance with regulations pertaining to the health and safety impacts of our products and services. This accomplishment underscores our relentless dedication to preserving an impeccable record, and we strive to uphold this performance standard.

Our commitment goes beyond ensuring the highest standards of service; we aspire to be the trusted pet care consultant for our customers. Actively engaging in educational outreach, we provide informative media on diverse veterinary topics and pet care. Through newsletters and blog posts covering subjects like “Finding your Pet” and “Behavior and Training,” our goal is to enhance awareness about pet care and emphasise the significance of preventive measures.

As a dedicated partner, AVH aims to deliver the highest level of care and professionalism in the provision of our services. Our commitment extends to meeting the diverse needs and expectations of our customers and stakeholders. Recognising the inherent responsibilities within our line of work, especially in the evaluation and administration of veterinary medicines and products to animals, we prioritize precautionary measures. This ensures awareness of potential risks or side effects associated with any administration of veterinary medicines and products to animals, reinforcing our commitment to responsible and ethical practices in the realm of veterinary care.

# Zero

Recordable injuries

# Zero

Recordable work-related ill health cases

# Zero

Non-compliance with regulations pertaining to the health and safety impacts of our products and services

# SUSTAINABILITY REPORT

## Customer Privacy

To ensure the highest level of protection and privacy for customer data, we strictly adhere to the Personal Data Protection Act 2012 of Singapore. In FY2023, we met our target of zero complaints reported regarding breaches of customer privacy or losses of customer data. Our commitment is to consistently meet this target going forward.

# Zero

Complaints reported regarding breaches of customer privacy or losses of customer data – compliance

## Community Supports

At AVH, we believe in the transformative power of giving back, both to our community and the environment. We recognize that each person has a vital role to play in creating positive change, which is why we are deeply committed to various Corporate Social Responsibility initiatives.

Central to our mission is supporting animals in need through meaningful partnerships with volunteer-run organizations. We offer preferential rates to dogs adopted from Save Our Street Dogs, an organisation dedicated to the welfare of Singapore's street dogs. Similarly, we extend these rates to Project Luni, another volunteer-driven endeavour focused on rescuing stray cats and implementing vital trap-neuter-release programs to manage Singapore's stray cat population.

We also actively participate in the Stray Cat Sterilisation Program, a collaborative effort supported by esteemed partners such as the Ministry of National Development, Town Councils, the National Environment Agency, and various animal welfare societies. Through this program, AVH provides crucial animal care and veterinary services aimed at reducing the number of stray community cats in diverse settings, including Housing and Development Board estates, private residences, commercial areas, and industrial zones.

In addition, AVH participated in the ONERHT Foundation Charity Art Exhibition and Gala Dinner, contributing \$3,000 to the cause. The funds raised during this event will be directed towards supporting three prominent local charitable healthcare institutions.

By engaging in these initiatives, AVH is dedicated to making a tangible, lasting impact on animal welfare and community well-being. Our commitment to fostering compassion and sustainability remains unwavering as we strive to create a brighter, more inclusive future for all.







# SUSTAINABILITY REPORT

## APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

Company Name	Principal Activities	Principal Place of Business
AVH Animal Ark Pte. Ltd.	Veterinary care and clinical services	Singapore

## APPENDIX B: SUSTAINABILITY SCORECARD

### Economic and Governance

Performance Indicators	Units	FY2021	FY2022	FY2023
Revenue	\$ million	3.0	2.4	2.3
Total vendor	Number	78	69	76
Local vendor	Number	74	65	75
Procurement spending on local vendors	%	97.0	99.6	99.9

### Environment

Performance Indicators	Units	FY2021	FY2022	FY2023
GHG emissions	tCO <sub>2</sub> e	20.5	17.6	19.1
GHG emissions intensity	tCO <sub>2</sub> e/revenue \$'000	0.007	0.007	0.008
Electricity consumption	kWh	47,397	40,578	45,923
Electricity consumption intensity	kWh/revenue \$'000	15.5	16.8	19.7
Water consumption	m <sup>3</sup>	Not tracked <sup>1</sup>	173	149
Water consumption intensity	m <sup>3</sup> /revenue \$'000	Not tracked <sup>1</sup>	0.07	0.06

### Social

Performance Indicators	Units	FY2021	FY2022	FY2023
Permanent full-time employee	Number	12	17	19
Temporary part-time employee	Number	6	9	4
Local employee	Number	16	24	22
Non-local employee	Number	2	2	1
<b>Current employees by categories</b>				
Senior management	Number	3	3	3

# SUSTAINABILITY REPORT

Performance Indicators	Units	FY2021	FY2022	FY2023
Veterinarians and medical support staff	Number	13	21	18
Administrative employee	Number	2	2	2
New hire	Number	1	6	6
New hire rate	%	6	30	23
Turnover	Number	7	3	7
Turnover rate	%	39	15	27
<b>Board diversity</b>				
Non-independent Directors	Number	2	2	2
Independent Directors	Number	3	2	2
Male on the Board of Directors	Number	4	3	3
Female on the Board of Directors	Number	1	1	1
<b>Current employees by gender</b>				
Male employee	Number	5	7	4
Female employee	Number	13	19	19
<b>Current employees by age group</b>				
Above 50	Number	1	1	1
30-50	Number	10	11	11
Below 30	Number	7	14	11
New hire rate (male)	%	0	40	20
New hire rate (female)	%	9	27	24
Turnover rate (male)	%	63	20	20
Turnover rate (female)	%	18	13	29
Average training hour per employee	Hours	6.5	7.9	5.1
Average training hour per employee (male)	Hours	0	4.5	1.5
Average training hour per employee (female)	Hours	8.6	9	6.1
Fatalities in workplace	Number	0	0	0
High-consequence injuries in the workplace	Number	0	0	0

<sup>1</sup> The Group initiated the tracking of metrics commencing in FY2022 and comparative data for FY2021 is unavailable.



# SUSTAINABILITY REPORT

Performance Indicators	Units	FY2021	FY2022	FY2023
Recordable injuries in the workplace	Number	0	0	0
Recordable work-related ill health cases in the workplace	Number	0	0	0
Non-compliance with regulations pertaining to the health and safety impacts of products and services	Number	0	0	0
Complaints reported regarding breaches of customer privacy or losses of customer data – compliance	Number	0	0	0

## APPENDIX C: GRI CONTENT INDEX

The GRI Content Index references AVH’s Sustainability Report 2023 (“**SR**”), and the Annual Report 2023 (“**AR**”).

Disclosure Number	Disclosure Title	Page Reference and Remarks	
<b>GRI 2: General disclosures</b>			
<b>Organisational profile</b>	2-1	Organisational details	<ul style="list-style-type: none"> <li>SR 1.2 About Us</li> </ul>
	2-2	Entities included in the organization’s sustainability reporting	<ul style="list-style-type: none"> <li>SR Appendix A: List of entities included in this report</li> </ul>
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>SR 1.3 About the Report</li> </ul>
	2-4	Restatements of information	<ul style="list-style-type: none"> <li>No restatement</li> </ul>
	2-5	External assurance	<ul style="list-style-type: none"> <li>No external assurance</li> </ul>
<b>Activities and workers</b>	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>SR 1.2 About Us</li> <li>SR 3.2 Economic and Governance, Procurement Practices</li> </ul>
	2-7	Employees	<ul style="list-style-type: none"> <li>SR 3.4 Social, Employment</li> </ul>
	2-8	Workers who are not employees	<ul style="list-style-type: none"> <li>The Group does not have workers who are not employees</li> </ul>

# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Page Reference and Remarks	
<b>Governance</b>	2-9	Governance structure and composition	<ul style="list-style-type: none"> <li>SR 2.1 Sustainability Organisational Structure</li> </ul>
	2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 4.3</li> </ul>
	2-11	Chair of the highest governance body	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 2.4</li> </ul>
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>SR 2.1 Sustainability Organisational Structure</li> </ul>
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>SR 2.1 Sustainability Organisational Structure</li> </ul>
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> <li>SR 2.1 Sustainability Organisational Structure</li> </ul>
	2-15	Conflicts of interest	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 1.1</li> <li>SR 3.2 Economic and Governance, Business Ethics and Anti-corruption</li> </ul>
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 12.1, 12.2 and 12.3</li> </ul>
	2-17	The collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 2.4</li> </ul>
	2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 5.1 and 5.2</li> </ul> <p>The Group is presently in the process of further aligning the performance indicators and incentives of the Directors and key management personnel with the achievement of material sustainability targets.</p>
	2-19	Remuneration policies	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 7.1 and 7.3</li> </ul>
	2-20	The process to determine the remuneration	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 7.1 and 7.3</li> </ul>
	2-21	Annual total compensation ratio	<ul style="list-style-type: none"> <li>No disclosure is provided due to the confidentiality of the data</li> </ul>



# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Page Reference and Remarks	
<b>Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>SR 1.1 Message to Stakeholders</li> </ul>
	2-23	Policy commitments	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance</li> <li>SR 3.2 Environment</li> <li>SR 3.3 Social</li> </ul>
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance</li> <li>SR 3.2 Environment</li> <li>SR 3.3 Social</li> </ul>
	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance</li> <li>SR 3.2 Environment</li> <li>SR 3.3 Social</li> </ul>
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>SR 2.3 Stakeholder Engagement</li> </ul>
	2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance – Business Ethics and Anti-corruption</li> <li>SR 3.2 Environment, Waste</li> </ul>
	2-28	Membership associations	<ul style="list-style-type: none"> <li>SR 1.2 About Us</li> </ul>
<b>Stakeholder engagement</b>	2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>SR 2.3 Stakeholder Engagement</li> </ul>
	2-30	Collective bargaining agreements	<ul style="list-style-type: none"> <li>Not applicable. The Group's employees are not represented by a union.</li> </ul>
<b>GRI 3: Material topics</b>			
<b>Disclosures on material topics</b>	3-1	The process of determining material topics	<ul style="list-style-type: none"> <li>SR 2.2 Materiality Assessment</li> </ul>
	3-2	List of material topics	<ul style="list-style-type: none"> <li>SR 2.4 Sustainability Materiality</li> </ul>
	3-3	Management of material topics	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance</li> <li>SR 3.2 Environment</li> <li>SR 3.3 Social</li> </ul>
<b>GRI 200: Economic disclosures</b>			
<b>Economic performance</b>	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance, Economic Performance</li> </ul>

# SUSTAINABILITY REPORT

Disclosure Number		Disclosure Title	Page Reference and Remarks
<b>Procurement practices</b>	204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance, Procurement Practices</li> </ul>
<b>Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance, Business Ethics and Anti-corruption</li> </ul>
	205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance, Business Ethics and Anti-corruption</li> </ul>
	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> <li>SR 3.1 Economic and Governance, Business Ethics and Anti-corruption</li> </ul>
<b>GRI 300: Environment disclosures</b>			
<b>Energy</b>	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Energy</li> </ul>
	302-3	Energy intensity	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Energy</li> </ul>
<b>Water</b>	303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Water</li> </ul>
	303-5	Water consumption	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Water</li> </ul>
<b>Emissions</b>	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Emissions</li> </ul>
	305-4	GHG emissions intensity	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Emissions</li> </ul>
<b>Effluents and waste</b>	306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Waste</li> </ul>
	306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> <li>SR 3.2 Environment, Waste</li> </ul>
<b>GRI 400: Social disclosures</b>			
<b>Employment</b>	401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> <li>SR 3.3 Social, Employment</li> </ul>
<b>Occupational health and safety</b>	403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> <li>SR 3.3 Social, Occupational Health and Safety</li> </ul>
	403-9	Work-related injuries	<ul style="list-style-type: none"> <li>SR 3.3 Social, Occupational Health and Safety</li> </ul>
	403-10	Work-related ill health	<ul style="list-style-type: none"> <li>SR 3.3 Social, Occupational Health and Safety</li> </ul>



# SUSTAINABILITY REPORT

Disclosure Number	Disclosure Title	Page Reference and Remarks	
<b>Training and education</b>	404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> <li>SR 3.3 Social, Training and Education</li> </ul>
	404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>SR 3.3 Social, Training and Education</li> </ul>
	404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>SR 3.3 Social, Training and Education</li> </ul>
<b>Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>AR Report on Corporate Governance, Provision 2.4</li> <li>SR 3.3 Social, Diversity and Non-discrimination</li> </ul>
<b>Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> <li>SR 3.3 Social, Diversity and Non-discrimination</li> </ul>
<b>Customer health and safety</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> <li>SR 3.3 Social, Customer Health and Safety</li> </ul>
<b>Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>SR 3.3 Social, Customer Privacy</li> </ul>

## APPENDIX D: TCFD RECOMMENDATIONS CONTENT INDEX

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
<b>Governance</b>		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	3.2 Environment, Governance
	Describe management's role in assessing and managing climate-related risks and opportunities	3.2 Environment, Governance
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	3.2 Environment, Strategy
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	3.2 Environment, Strategy
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.

# SUSTAINABILITY REPORT

<b>Risk Management</b>		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	3.2 Environment, Risk Management
	Describe the organisation's processes for managing climate-related risks	3.2 Environment, Risk Management
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	3.2 Environment, Risk Management
<b>Metrics and Targets</b>		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	The Group currently working on developing metrics for the assessment of our climate strategy and risk management.
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	3.2 Environment, Emissions  The Group has disclosed Scope 2 GHG emissions. The Group plans to include Scope 1 and Scope 3 GHG emissions in the total carbon emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	3.2 Environment, Emissions



# SUSTAINABILITY REPORT

## APPENDIX F: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to AVH's SR, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

### (a) Economic and Governance

#### Local vendor

Organisation or person that provides a product or service to the reporting organisation and that is based in the same geographic market as the reporting organisation.

### (b) Environment

#### Climate-related Physical Risks

Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise).

#### Climate-related Transitional Risks

Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

#### Climate-related Opportunities

Climate-related opportunities refer to the potential positive impacts related to climate change on an organisation. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain.

#### GHG Emissions

In the scope of this reporting, scope 1 emissions are emissions generated from the consumption of fuels. The emission factor used for calculating GHG emission is obtained from The United Kingdom Department for Environmental, Food & Rural Affairs ("**UK Defra**"). GHG emissions are expressed in tonnes of carbon dioxide equivalent ("**tCO<sub>2</sub>e**").

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity. The Grid Emission Factor ("**GEF**") used for calculating GHG emissions is obtained from the Energy Market Authority ("**EMA**") of Singapore. GHG emissions are expressed in tCO<sub>2</sub>e.

#### GHG Emissions Intensity

This is the ratio of GHG emissions relative to the thousand-dollar revenue in Singapore Dollars ("**revenue \$'000**"). GHG emissions intensity is expressed in tCO<sub>2</sub>e per thousand-dollar revenue in Singapore Dollars ("**tCO<sub>2</sub>e/revenue \$'000**").

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## Electricity Consumption

Energy consumed results from electricity consumed. Electricity consumed is expressed in kilowatt-hours ("kWh")

## Electricity Consumption Intensity

This is the ratio of electricity consumption relative to the revenue \$'000". Energy intensity is expressed in kWh per thousand-dollar revenue in Singapore Dollars ("kWh/revenue \$'000").

## Water Consumption

This represents the volume of water consumed. Considering the specific context of AVH's business, where water is sourced from a single third-party supplier provided by the municipality, and no discharge monitoring is required, the total amount of water withdrawn is assumed to be equivalent to the amount reflected in the utility bills received. The volume of water consumed is expressed in cubic meters ("m<sup>3</sup>").

## Water Intensity

This is the ratio of water consumption relative to the revenue \$'000". Water consumption intensity is expressed in m<sup>3</sup> per thousand-dollar revenue in Singapore Dollars ("m<sup>3</sup>/revenue \$'000").

## (c) Social

### Employee

Employees are defined as individuals who are in an employment relationship with the Group.

### New Hires and Turnover (rates)

New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

New hires/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at financial year-end and the number of resigned employees during the financial year.

New hires/turnover rate by gender is the total number of female/(male) new hires/employee turnovers for each gender in the financial year, relative to the total number of female/(male) employees recorded as at financial year-end and number of female/(male) resigned employees during the financial year.

### Training hours

Average training hours per employee is the total number of training hours incurred during the financial year provided to permanent employees, relative to the total number of permanent employees recorded as at



# SUSTAINABILITY REPORT

financial year-end.

Average training hours per female/(male) employee is the total number of training hours provided to female/(male) permanent employees, relative to the total number of female/(male) permanent employees recorded as of financial year-end.

Average training hours per employee category is the total number of training hours provided to permanent employees, relative to the total number of permanent employees recorded as of financial year-end.

## **Fatalities**

The number of fatalities as a result of work-related injury during the reporting period across the Group.

## **High-consequence injuries**

Number of high-consequence work-related injuries (an injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months) excluding fatalities during the reporting period.

## **Recordable injuries**

Number of recordable work-related injuries during the reporting period

## **Recordable work-related ill health cases**

Number of recordable work-related illnesses or health conditions arising from exposure to hazards at work during the reporting period.

# REPORT ON CORPORATE GOVERNANCE

Asia Vets Holdings Ltd. (the “**Company**”) was admitted to the Official List of the SGX-Catalist on 19 July 2010.

The board of directors of the Company (the “**Board**”) believes in having high standards of corporate governance and is committed to ensuring that effective self-regulatory corporate practices exist to protect the interests of shareholders of the Company (the “**Shareholders**”) and maximise long-term Shareholders’ values.

In accordance with Rule 710 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the following report describes the Company’s corporate governance practices for the financial year ended 31 December 2023 (“**FY2023**”) with specific reference to the Principles and Provisions set out in the Code of Corporate Governance 2018 (the “**Code**”), and the Practice Guidance dated 14 December 2023 (“**Practice Guidance**”).

The Board is pleased to report that, for FY2023, the Company has complied with the Principles of the Code, and the Provisions of the Code (except where otherwise explained). In areas where the Company’s practices vary from any Provisions of the Code, the Company has stated herein the Provision of the Code from which it has varied, and appropriate explanations are provided for the variation, and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. The Company will continue to assess its needs and implement appropriate practices accordingly.

## **Principle 1: The Board’s Conduct of Affairs**

***The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.***

### Provision 1.1

#### ***Principal Duties of the Board***

The Company is headed by an effective Board to lead and control the Company. The Board has the overall responsibility for corporate governance, strategic direction and investments of the Company. Each individual director of the Company (“**Director**”) is obliged to act in good faith and exercise independent judgment in the best interests of Shareholders at all times.

The Board’s principal functions include:

- determining, reviewing and approving the strategic objectives and directions of the Company, annual budgets, major investments, divestments and funding proposals;
- overseeing the business and affairs of the Company, establishing with the management of the Company (the “**Management**”) the strategies and financial objectives to be implemented by the Management, and monitoring the performance of the Management;
- establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of Shareholders’ interests and the Company’s assets;
- setting the Company’s values and standards (including ethical standards), and ensuring that obligations to Shareholders and other stakeholders are understood and met;
- reviewing Management performance, the Company’s financial performance, risk processes and systems, human resource requirements and corporate governance practices;





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- considering sustainability issues, e.g. economic, social and governance factors, as part of its strategic formulating; and
- identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation.

All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company and hold Management accountable for performance.

## ***Code of Business Conduct and Ethics***

The Company has established a Code of Business Conduct and Ethics that sets the principles of the code of business conduct and ethics which applies to all employees of the Group. Directors, key management personnel and employees of the Group are expected to observe and uphold the highest possible standards of ethical, moral and legal business conduct and to be in compliance with the law and regulations at all times and all places in the world.

## ***Conflict of Interests***

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his or her knowledge. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he or she should immediately declare his or her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he or she is abstained from voting in relation to the conflict-related matters.

### Provision 1.2

## ***Appointment Letter***

Newly appointed Directors will be provided a formal letter of appointment setting out among other matters, the roles, obligations, duties and responsibilities of the Director as a member of the Board.

## ***Directors' Orientation and Training***

All newly appointed Directors will be given appropriate briefings by the Management on the business activities of the Company, its strategic directions and the Company's corporate governance policies and practices. Directors will also be given the opportunity to visit the Group's operational facilities and to meet with the Management to gain a better understanding of the Group's business operations. The Company will also arrange for first-time Directors to attend the relevant training in relation to the roles and responsibilities of a director of a listed company as required under Rule 406(3)(a) of the Catalist Rules, as well as other courses relating to areas such as accounting, legal and industry specific knowledge as appropriate, organised by other training institutions. The training of Directors will be arranged and funded by the Company. No new Director was appointed to the Board in FY2023.

Existing Directors will be updated regularly on accounting and regulatory changes by the Company's external auditors, continuing sponsor and company secretary, and are encouraged to attend workshops, seminars and training, to enhance their skills and knowledge, or on relevant new laws, regulations and changing commercial risks, and such training will be funded by the Company.

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## ***Seminars and Trainings attended by Directors in FY2023***

The details of updates, seminars and training programmes attended by the Directors in FY2023 include, amongst others:-

- updates on developments in financial reporting and governance standards, as and when there are updates and where relevant, by the external auditors of the Company; and
- updates on regulatory announcements, guidance and/or amendments to the Catalist Rules and the Code, as and when there are updates and where relevant, by the continuing sponsor and company secretary of the Company.

### Provision 1.3

#### ***Matters Requiring the Board's Approval***

The Group has adopted internal guidelines governing matters that require the Board's approval which has been clearly communicated to the Management.

The Board has identified, without limitation, the following matters that require its approval:

- declaration of dividends and other returns to shareholders;
- major corporate policies on key areas of operation;
- major funding proposals or bank borrowings;
- corporate or financial restructuring and share issuances;
- mergers and acquisitions;
- material acquisitions and disposals;
- approval of transactions involving interested person transactions; and
- appointments of new Directors.

### Provision 1.4

#### ***Delegation by the Board***

To assist the Board in the discharge of its functions, the Audit Committee, the Nominating Committee and the Remuneration Committee (collectively, "**Board Committees**") have been constituted with written terms of reference which clearly sets out the authority and duties. These terms of reference are reviewed on a regular basis, along with the respective Board Committees' structures and composition, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. Matters which are delegated to the Board Committees for more detailed appraisals are reported to and monitored by the Board.

Please refer to the various Principles in this Report on Corporate Governance for further information on the names of the members of the respective Board Committees, their terms of reference and the activities of the respective Board Committees.

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## Provision 1.5

### **Board and Board Committees Meetings and Attendance**

The Board meets at least two (2) times a year, and whenever warranted by particular circumstances, as deemed appropriate by the Board members. Directors are free to discuss and voice their concerns on any matter raised at the Board meetings. Telephonic and video-conference meetings of the Board are allowed under the Company's Constitution. All Directors are provided with the agenda and a set of the Board papers prior to the Board meeting. These are issued in advance to give the Directors sufficient time to better understand the matters to be discussed and to obtain further clarifications or explanations at the Board meeting where necessary. The Company and the Board acknowledge that an unimpeded flow of relevant information in a timely manner is crucial for the Board to be effective in discharging its duties and responsibilities.

The attendance of the Directors at meetings of the Board and Board Committees held in FY2023 is set out as follows:

Name of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended	No. of meetings held while being a member	No. of meetings attended
Tan Tong Guan	2	2	–	2*	–	1*	–	1*
Tan Geok Moey	2	2	2	2	1	1	1	1
Kim Seah Teck Kim	2	2	2	2	1	1	1	1
Henry Tan Song Kok	2	2	2	2	1	1	1	1

\* Attended by invitation.

### **Multiple Board Representations**

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the Nominating Committee will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The Nominating Committee noted that some Directors have other principal commitments, while others have both multiple listed company board representations and other principal commitments. In particular, the Nominating Committee noted that Mr Henry Tan Song Kok holds a significant number of such listed company board representations and other principal commitments as well as Mr Kim Seah Teck Kim. Notwithstanding, the Nominating Committee noted the aforesaid Directors' commitments and contributions to the Company, which are evident in their level of attendance and active participation at Board and Board Committee meetings. Based on the above, the Nominating Committee has reviewed and is of the opinion that all the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given by the Directors to the affairs of the Company in FY2023. In view of the above, the Board, with the concurrence of the Nominating Committee, is of the view that there is no need to implement internal guidelines (such as implementing a limit on the maximum number of listed company board representations which any Director may hold) to address competing time commitments. The Board believes that each individual Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities as a Director, bearing in mind his/her other commitments. The Board and the Nominating Committee will review the requirement to determine the maximum number of listed company board representations as and when they deem fit.

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## Provision 1.6

### **Access to Information**

The Board is provided with complete, accurate, and adequate information in a timely manner, prior to Board meetings and on an on-going basis, to enable it to fulfill its responsibilities. Such information includes background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets and monthly internal financial statements. In respect of budgets, any material variance between the projections and actual results will be disclosed and explained. Such information is provided to the Directors to enable them to keep abreast of the Company's operational and financial performance and position and to facilitate better-informed decision-making.

## Provision 1.7

### **Access to Management and Company Secretary**

The Directors have separate and independent access to the Management and the company secretary at all times. The company secretary and/or his or her representatives attend all Board meetings to ensure that Board procedures are followed and that applicable rules and regulations, including the requirements of the Companies Act 1967 of Singapore and the Catalist Rules are complied with. In addition, the company secretary and/or his or her representatives assists the Chairman, and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees meetings. Under the direction of the Chairman, the company secretary's other responsibilities include ensuring good information flows within the Board and Board Committees and between the Management, the Non-Independent and Non-Executive Director and the Independent Directors, as well as facilitating orientation and assisting with professional development as required. The appointment and the removal of the company secretary is a decision of the Board as a whole.

### **Independent Professional Advice**

Should the Directors, whether as a group or individually, need independent professional advice in furtherance of their duties and responsibilities, the Company will appoint such professional adviser to render the appropriate professional advice. The cost of such professional advice will be borne by the Company.

## **Principle 2: Board Composition and Guidance**

***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***

## Provision 2.1

### **Director's Independence**

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

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The Nominating Committee, shall conduct an annual review to determine the independence of the Directors according to the Code and its Practice Guidance, as well as Rule 406(3)(d) of the Catalist Rules. Under Rule 406(3)(d) of the Catalist Rules, a director will not be independent under any of the following circumstances: (i) if he is employed by the company or any of its related corporations for the current or any of the past three financial years; or (ii) if he has an immediate family member who is employed or has been employed by the company or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the company; or (iii) if he has been a director of the company for an aggregate period of more than nine years (whether before or after listing), and such director may continue to be considered independent until the conclusion of the next annual general meeting of the company. In its review, the Nominating Committee shall consider all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its finding and recommendations to the Board for approval.

The Independent Directors (namely Mr Kim Seah Teck Kim and Mr Henry Tan Song Kok) have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors did not own shares of the Company and were not in any foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the Nominating Committee, has determined that the said Directors are independent. The Independent Directors, being the members of the Nominating Committee, have each abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of their own independence as a director.

None of the Independent Directors has served on the Board beyond nine (9) years from the date of his or her first appointment.

## Provision 2.2

### ***Proportion of Independent Directors***

As of the date of this report, the Board comprises of two (2) Independent Directors (out of a four (4) member Board), which constituted half of the Board. Although the Chairman of the Board is not independent and the Independent Directors does not make up majority of the Board as recommended by Provision 2.2 of the Code, the Board and the Nominating Committee are of the view that the Company complies with Principle 2 of the Code taking into consideration the following: (i) half of the Board consists of Independent Directors and majority of each of the Board Committees are Independent Directors, (ii) the decision making process of the Board is based on collective decisions so that no individual or groups of individuals can dominate the decision making process, and (iii) the Board has a Lead Independent Director, who will provide leadership in situations where the Executive Chairman and Chief Executive Officer may be conflicted. Nevertheless, the Nominating Committee will continue to review and monitor the requirement for a majority of the Board to be Independent Directors, to be in line with the Provision 2.2 of the Code.

## Provision 2.3

### ***Proportion of Non-Executive Directors***

The Board comprises a majority of three (3) Directors (out of a four (4) member Board) who are Non-Executive Directors.

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## Provision 2.4

### **Board Composition and Size**

The Board currently comprises four (4) members, one (1) of whom is an Executive Director and three (3) of whom are Non-Executive Directors, of which two (2) are Independent Directors.

The Board members as of the date of this report are:

Tan Tong Guan	Executive Chairman and Chief Executive Officer
Tan Geok Moey	Non-Independent and Non-Executive Director
Henry Tan Song Kok	Lead Independent Director
Kim Seah Teck Kim	Independent Director

The Nominating Committee is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the Nominating Committee, is of the view that the current size and composition of the Board and Board Committees, are appropriate to facilitate effective decision making, and provide sufficient diversity of expertise to lead and govern the Company effectively.

### **Board Diversity**

The Company has a written board diversity policy which sets out the policy and framework for promoting diversity on the Board and believed that a diverse Board will enhance decision making of the Board by utilising the variety of skills, industry, and business experiences and competencies, gender, age, ethnicity and culture, geographical background and nationalities, tenure of services and other distinguishing qualities.

On annual basis, the Nominating Committee conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, met with the requirements of the Group. The Nominating Committee will periodically review the competencies of the Directors to ensure effective governance of the Company and contribution to the Board. All Directors will submit to the Nominating Committee on an annual basis a completed Board and Board Committees Evaluation Questionnaire (including composition of the Board and Board Committees). The Nominating Committee have reviewed the completed the Evaluation Questionnaire for FY2023, and is satisfied that the Board has the appropriate mix of expertise, knowledge, experiences, and skills in supporting the attainment of its strategic objectives and sustainable development.

The Board and the Board Committees currently comprise persons who as a group provide an appropriate balance and diversity of skills, experience and knowledge to the Company, as well as provide a diversity of gender with one (1) female Director who is a Non-Independent and Non-Executive Director (constitute 25% of the Board) in recognition of the importance and value of gender diversity. The Directors, as a group, provide core competencies such as accounting or finance, business or management experience, legal, industry knowledge, strategic planning experience and customer-based experience or knowledge required for the Board and the Board Committees to be effective. The current composition of the Board is in line with the targets set in the Company's board diversity policy. Nevertheless, the Company is constantly on the lookout for suitable candidates to join the Board as Independent Directors as part of its review process.

To address the dynamic business environment, the Nominating Committee will recommend the Board to consider the appointment of new Director(s) that has/have the required skillset, expertise, experience and knowledge as and when it deems necessary.



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A brief profile of each Director is set out on pages 6 to 7 of the Annual Report. Information of the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement on page 79 of the Annual Report.

## Provision 2.5

### ***Meeting of Non-Executive Directors without Management***

The Non-Independent and Non-Executive Director and the Independent Directors will assist to develop proposals on strategies and goals for the Company and regularly assess the performance of the Management in meeting the agreed goals and objectives, and monitor the reporting of performance. The Non-Independent and Non-Executive Director and the Independent Directors are encouraged to meet, without the presence of the Management, so as to facilitate a more effective check on the Management. They will meet on a need-basis without the presence of the Management to discuss on arising issues.

During FY2023, the Non-Independent and Non-Executive Director and the Independent Directors have met informally via physical/virtual meetings and communicated via emails without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, succession planning as well as leadership development and the remuneration of Directors and key management personnel.

### **Principle 3: Chairman and Chief Executive Officer**

***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

## Provision 3.1

### ***Separation of the Role of Chairman and Chief Executive Officer***

The roles of the Executive Chairman and the Chief Executive Officer are currently held by Mr Tan Tong Guan. The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the Chief Executive Officer after taking into account the current size, scope and the nature of the operations of the Company, and with the strong presence of Independent Directors on the Board. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. There is an appropriate balance of power and authority given that the majority of the members (including the respective Chairmen) of the Board Committees are independent and the Board Committees are chaired by Independent Directors. Taking into account the above, the Board is of the view that the Company complies with Principle 3 of the Code.

## Provision 3.2

### ***Role of Chairman and Chief Executive Officer***

As Executive Chairman of the Board, Mr Tan Tong Guan leads the Board and is responsible for the management of the Board. When setting the agenda, he ensures that adequate time is available for discussion of all agenda items, in particular strategic matters. The Executive Chairman encourages Board's interaction with the Management, facilitates effective contribution of the Non-Independent and Non-Executive Director and Independent Directors, encourages constructive relations among the Directors and promotes high standards of corporate governance. In addition, the Executive Chairman ensures that the Directors receive accurate, timely and clear information and there is effective communication with Shareholders and other stakeholders.

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The Executive Chairman, being the Chief Executive Officer, is also in charge of charting the business direction as well as corporate planning and strategic developments of the Company and the Group.

## Provision 3.3

### **Lead Independent Director**

As the roles of the Chairman and the Chief Executive Officer are held by the same person, Mr Henry Tan Song Kok has been appointed as the Lead Independent Director of the Company as recommended by the Code, to provide leadership in situations where the Chairman, who is not independent, is conflicted. As the Lead Independent Director, Mr Henry Tan Song Kok is available to address the concerns of Shareholders and when contact through the normal channels of communication to the Executive Chairman and Chief Executive Officer or the Chief Financial Officer has failed to satisfactorily resolve their concerns or when such contact is inappropriate or inadequate.

The Non-Independent and Non-Executive Director and Independent Directors are encouraged to meet periodically without the presence of the Management where necessary. The Lead Independent Director will also provide feedback to the Chairman after such meetings.

There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2023.

### **Principle 4: Board Membership**

***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

## Provisions 4.1 and 4.2

### **Nominating Committee Composition**

The Nominating Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Kim Seah Teck Kim (Independent Director)	Chairman
Henry Tan Song Kok (Lead Independent Director)	Member
Tan Geok Moey (Non-Independent and Non-Executive Director)	Member

### **Roles and Duties of Nominating Committee**

The Nominating Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Nominating Committee is responsible for:

- reviewing board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and the Chief Executive Officer, and key management personnel;
- creating a formal and transparent process for the appointments and re-nominations of members of the Board and to evaluate the performance of the Board as a whole, its Board Committees and the contribution of individual Directors to the effectiveness of the Board;
- affirming annually the independence of the Directors;



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- the appointment and re-appointment of directors (if any); and
- reviewing training and professional development programs for the Board.

The Nominating Committee is scheduled to meet at least once a year. Each member of the Nominating Committee shall abstain from voting on any resolution in respect of the evaluation of his/her performance or re-nomination as a Director.

## Provision 4.3

### ***Nomination and Selection of Directors***

For new appointments to the Board, the Nominating Committee will consider the Company's current Board size and its composition and decide if the candidate's background, experience, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple boards. The Nominating Committee will ensure that new Directors are aware of their duties and obligations. In addition, the Nominating Committee will take into consideration whether a candidate had previously served on the board of a company with an adverse track record or a history of irregularities, or whether the candidate is or was under investigation by professional associations or regulatory authorities. The Nominating Committee will also assess whether a candidate's resignation from the board of any such company would cast any doubt on the candidate's qualification and ability to act as a Director of the Company.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the Nominating Committee, in consultation with the Board, will determine the selection criteria and select the appropriate candidate for the position. The search for a suitable candidate is drawn from the contacts and networks of existing Directors. The Nominating Committee can also approach relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations to source for a suitable candidate.

### ***Re-election of Directors***

In accordance with the Code and Rule 720(4) of the Catalist Rules, all Directors shall submit themselves for re-nomination and re-election at least once every three (3) years. Pursuant to Regulation 95 of the Company's Constitution, at least one-third of the Directors will retire at the annual general meeting ("**AGM**") each year. In addition, Regulation 101 of the Company's Constitution provides that a newly appointed Director can only hold office until the next AGM and then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation. The Nominating Committee is charged with the responsibility of re-nomination having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.

The Nominating Committee has recommended to the Board that Mr Tan Tong Guan and Mr Kim Seah Teck Kim (collectively the "**Retiring Directors**") be nominated for re-election at the upcoming AGM. In making the recommendation, the Nominating Committee had considered, among others, each of the Retiring Directors' contribution and performance to the Board and the Group. Mr Kim Seah Teck Kim, being a member of the Nominating Committee, has abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee in respect of the assessment of his own re-election as a Director of the Company.

Mr Tan Tong Guan will, upon re-election as a Director, remain as the Executive Chairman and Chief Executive Officer.

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Mr Kim Seah Teck Kim will, upon re-election as a Director, remain as an Independent Director, Chairman of the Nominating Committee and the Remuneration Committee as well as a member of the Audit Committee. Mr Kim Seah Teck Kim is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Details of the Retiring Directors seeking for re-election at the upcoming AGM are set out on pages 72 to 77 of the Annual Report in compliance with the Rule 720(5) of the Catalist Rules.

## Provision 4.4

### **Review of Directors' Independence**

As set out under Provision 2.1 of the Code above, on an annual basis, the Nominating Committee is required to determine the independence status of the Directors, bearing in mind the circumstances set forth in the Code, Rule 406(3)(d) of the Catalist Rules and any other salient factors. The Independent Directors have submitted their respective confirmation of independence annually for the Nominating Committee's review. For FY2023, the Nominating Committee has reviewed the confirmation of independence submitted by the Independent Directors and determined that the Independent Directors (namely Mr Kim Seah Teck Kim and Mr Henry Tan Song Kok) are independent. Each of the Independent Directors, being members of the Nominating Committee, has abstained and not participated in the review and determination in respect of himself.

Currently, there is no alternate Director on the Board.

## Provision 4.5

### **Directors' Time Commitments**

The Nominating Committee ensures that new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the Nominating Committee takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Group.

Please refer to the section entitled "Directors Profile" of the Annual Report for the listed company directorship and principal commitments of each Director.

As set out under Provision 1.5 of the Code above, the Nominating Committee has reviewed and is of the opinion that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given by the Directors to the affairs of the Company, in FY2023. Each of the Independent Directors, being members of the Nominating Committee, has abstained and not participated in the review and determination in respect of himself.

### **Principle 5: Board Performance**

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.***

## Provisions 5.1 and 5.2

The Board and the Nominating Committee strive to ensure that Directors on the Board possess the experience, knowledge and skills critical to the Company's business so as to enable the Board to make sound and well-considered decisions.

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The Nominating Committee had carried out an annual performance evaluation process to assess the effectiveness of the Board as a whole and its Board Committees. The purpose of the evaluation process is to increase the overall effectiveness of the Board and its Board Committees. Each Director completes an evaluation form to assess the overall effectiveness of the Board as a whole and its Board Committees. The appraisal process for the Board focuses on the evaluation of factors such as the composition of the Board, the Board's accessibility to information, Board procedures and accountability, communication with key management personnel and Directors' standards of conduct. The appraisal process for the Board Committees, on the other hand, focused on the evaluation of the respective Board Committees structure, conduct of meetings, measurement and monitoring of Board Committees performance. The results of these evaluations are reviewed and used constructively by the Nominating Committee to identify areas of improvements and recommending appropriate course of action to the Board. Based on the results collated from the evaluations, the Nominating Committee is of the view that the overall effectiveness of the Board as a whole and the Board Committees has been satisfactory for FY2023.

The Nominating Committee had decided unanimously, that the Directors will not be evaluated individually as it is more appropriate and effective to assess the overall effectiveness of the Board as a whole, bearing in mind that each Director contributes in different ways to the success of the Company and Board decisions are made collectively. In addition, the factors taken into consideration for each Director's re-nomination are the extent of his/her attendance, participation and contribution in the proceedings of the meetings.

For FY2023, the Nominating Committee has not engaged any external facilitator to assist in the assessment of the effectiveness of the Board as a whole and the Board Committees. Where relevant, the Nominating Committee will consider such engagement.

## **Principle 6: Procedures for Developing Remuneration Policies**

***The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.***

Provisions 6.1, 6.2 and 6.3

### **Remuneration Committee Composition**

The Remuneration Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Kim Seah Teck Kim	(Independent Director)	Chairman
Henry Tan Song Kok	(Lead Independent Director)	Member
Tan Geok Moey	(Non-Independent and Non-Executive Director)	Member

### **Roles and Duties of Remuneration Committee and Remuneration Framework**

The Remuneration Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Remuneration Committee is responsible for:

- recommending to the Board a general framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Director as well as for key management personnel, and the recommendations of the Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' and key management personnel's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind will be covered by the Remuneration Committee; and

# REPORT ON CORPORATE GOVERNANCE

- performing an annual review of the remuneration of employees related to the Directors and substantial Shareholders to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scope and level of responsibilities. It will also review and approve any bonuses, pay increases and/or promotions for these employees.

The Remuneration Committee will also review the Company's obligations under the service agreements entered into with the Executive Chairman and Chief Executive Officer, and key management personnel that would arise in the event of termination of these service agreements. This is to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The Remuneration Committee aims to be fair and avoid rewarding poor performance.

The Remuneration Committee is scheduled to meet at least once a year. Each member of the Remuneration Committee shall abstain from voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

Provision 6.4

## **Engagement of Remuneration Consultants**

The Remuneration Committee, if necessary, may seek external expert advice of which the expenses will be borne by the Company. For FY2023, the Remuneration Committee has not sought external advice nor appointed remuneration consultants in considering the remuneration of all Directors.

## **Principle 7: Level and Mix of Remuneration**

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

Provisions 7.1 and 7.3

As part of its review, the Remuneration Committee ensures that remuneration packages of the Directors and key management personnel are comparable within the industry and with similar companies. The Remuneration Committee considers the Company's relative performance and the contributions and responsibilities of the individual Directors.

## **Policy in respect of Executive Director's and other key management personnel's remuneration**

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and takes into consideration the Company's and the individual employee's performance. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The Company believes in promoting commitment and motivation by aligning incentives with performance, so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for Shareholders.

The Company currently does not have any long-term incentive scheme.

The Executive Chairman and Chief Executive Officer does not receive Director's fees, and is paid pursuant to his service agreement.





# REPORT ON CORPORATE GOVERNANCE

The Company's wholly-owned subsidiary, AVH Animal Ark Pte. Ltd., has also entered into a service agreement with Dr Joyce Lauw Shi Yu ("**Dr Joyce Lauw**") (a key management personnel of the Group). Dr Joyce Lauw will be paid a monthly remuneration, to be reviewed from time to time by the Remuneration Committee, and a discretionary bonus of such amount and at such intervals as AVH Animal Ark Pte. Ltd. may in its absolute discretion determine. The service agreement also provides for, *inter alia*, use of intellectual property, certain restrictive covenants (including non-compete obligation), and grounds of termination. Having considered the market practice, the Remuneration Committee and the Board had discussed and decided to reduce the notice of termination of Dr Joyce Lauw to three (3) months with effect from 1 January 2023. In view of this, AVH Animal Ark Pte. Ltd. has the right to terminate Dr Joyce Lauw's employment with immediate effect, or either party may terminate the employment by giving the other three (3) months' notice in writing, and only AVH Animal Ark Pte. Ltd. may pay salary in lieu of the required period of notice.

Having reviewed and considered the variable components in the remuneration packages of the Executive Chairman and Chief Executive Officer, and key management personnel, the Remuneration Committee is of the view that there is presently no urgent need for the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Chairman and Chief Executive Officer, and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

## Provision 7.2

### ***Policy in respect of remuneration for Non-Executive Directors***

The Non-Independent and Non-Executive Director, and the Independent Directors do not have service agreements with the Company. They are compensated based on fixed Directors' fees, which are determined by the Board, after the recommendation by the Remuneration Committee, based on their contribution, taking into consideration factors such as effort, time spent and responsibilities of the Non-Independent and Non-Executive Director, and the Independent Directors. The Chairman of each Board Committee is paid an additional fee, and the Chairman of Audit Committee is paid a higher fee than the Chairman of the other Board Committees in view of the higher responsibility carried by that office. The proposed Directors' fees are subject to approval by Shareholders at the AGM. Save for the Directors' fees, the Non-Independent and Non-Executive Director, and the Independent Directors do not receive any other remuneration from the Company.

### **Principle 8: Disclosure on Remuneration**

***The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

## Provisions 8.1 and 8.3

### ***Remuneration Policy and Criteria***

As set out under Provisions 7.1 and 7.3 of the Code above, the Company advocates a performance-based remuneration system that is flexible and responsive to the market, which takes into consideration the Company's and the individual employee's performance. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances.

# REPORT ON CORPORATE GOVERNANCE

## Remuneration of Directors and key management personnel

The level and mix of remuneration of the Company's Directors and key management personnel (who are not Directors or the Chief Executive Officer) for FY2023 are as follows:

Remuneration band and Name of Director	Base/Fixed salary* (%)	Bonus (%)	Directors' fees** (%)	Benefits-in-kind (%)	Total (%)
<b>Directors</b>					
<b>Between \$250,000 and \$500,000</b>					
Tan Tong Guan	84	16	–	–	100
<b>Below \$250,000</b>					
Tan Geok Moey	–	–	100	–	100
Kim Seah Teck Kim	–	–	100	–	100
Henry Tan Song Kok	–	–	100	–	100
Remuneration band and Name of Key Management Personnel***	Base/Fixed salary* (%)	Bonus (%)	Benefits-in-kind (%)	Total (%)	
<b>Below \$250,000</b>					
Xue Ru		80	20	–	100
Joyce Lauw Shi Yu		99	1	–	100

\* These amounts are inclusive of employer's Central Provident Fund ("CPF") contribution.

\*\* The proposed Directors' fees for FY2023 is subject to Shareholders' approval at the forthcoming AGM.

\*\*\* The Group has only two (2) key management personnel (who are not Directors or the Chief Executive Officer) during FY2023.

The Board believes that it is for the benefit of the Company not to disclose in absolute number and in aggregate, the remuneration breakdown of the Directors as well as the aggregate of the total remuneration paid to the key management personnel (who are not Directors or the Chief Executive Officer), due to its sensitive nature and concerns of poaching. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The Company currently does not have an employee share option scheme or performance share plan in place.

None of the Directors (including the Executive Chairman and Chief Executive Officer) and the key management personnel (who are not Directors or the Chief Executive Officer) of the Company has received any termination, retirement or post-employment benefits for FY2023.

The Board has not included a separate annual remuneration report to Shareholders in the Annual Report on the remuneration of the Directors and the key management personnel (who are not Directors or the Chief Executive Officer) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in the Annual Report and in the financial statements of the Company.

[Provision 8.2](#)

## Remuneration of Substantial Shareholder or Immediate Family Members of Director and Chief Executive Officer

Save for the Executive Chairman and Chief Executive Officer, there is no employee of the Company who is also a substantial Shareholder, or is an immediate family member of any Director, the Executive Chairman and Chief Executive Officer or a substantial Shareholder, and whose remuneration exceeded \$100,000 during FY2023. "Immediate family member" refers to the person's spouse, child, adopted child, step-child, sibling and parent.

# REPORT ON CORPORATE GOVERNANCE

## Principle 9: Risk Management and Internal Controls

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.***

### Provisions 9.1 and 9.2

The Company has established an enterprise risk management framework and register to identify, manage and monitor the business and operating risks impacting the Group on an on-going basis. The Board has overall responsibility for the governance of risk and with the support of the Audit Committee, oversees the design, implementation and monitoring of the risk management and internal control systems.

The Audit Committee will review the reports submitted by the independent internal auditors relating to the adequacy and effectiveness of the Group's significant internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The Audit Committee will also review the effectiveness of the actions taken by the Management on the recommendations made by the independent internal auditors in this respect.

On an annual basis, the Board will review the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems to ensure that they are able to meet the needs of the Group in its current business environment.

For FY2023, the Board has received assurance (i) from the Executive Chairman and Chief Executive Officer, and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (ii) from the Executive Chairman and Chief Executive Officer, and other key management personnel that the Company's risk management and internal control systems are effective and adequate.

The Board and the Audit Committee have reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in all material aspects. As part of the annual statutory audit of the financial statements, the external auditors will highlight any material weaknesses in financial controls over the areas that are significant to the audit. Such material internal control weaknesses noted during their audit and recommendations, if any, by the external auditors are reported to the Audit Committee. The Audit Committee will follow up on the actions taken by the Management in response to the recommendations made by the external auditors. The Audit Committee has also reviewed the follow up reports submitted by the independent internal auditors and reviewed the effectiveness of the actions taken by the Management on the recommendations made by the independent internal auditors in this respect.

Based on the internal controls established and maintained by the Group, work performed by the independent internal auditors and the external auditors, reviews performed by the Management and assurance received from the Executive Chairman and Chief Executive Officer, the Chief Financial Officer and other key management personnel, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective for FY2023.

The Board will consider the necessity of establishing a separate Board risk committee as and when it deems necessary.

The Board and the Audit Committee note that all internal control systems contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

# REPORT ON CORPORATE GOVERNANCE

## Principle 10: Audit Committee

### ***The Board has an Audit Committee which discharges its duties objectively.***

Provisions 10.2 and 10.3

#### ***Audit Committee Composition***

The Audit Committee comprises the following members, all of whom are non-executive and the majority, including the Chairman, are independent:

Henry Tan Song Kok	(Lead Independent Director)	Chairman
Tan Geok Moey	(Non-Independent and Non-Executive Director)	Member
Kim Seah Teck Kim	(Independent Director)	Member

At least two (2) members of the Audit Committee have accounting and related financial management expertise and experience. None of the members of the Audit Committee is a former partner or director of the Company's existing audit firm (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the audit firm and (b) for as long as he/she has any financial interest in the auditing firm.

Provision 10.1

#### ***Roles and Duties of Audit Committee***

The Audit Committee has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management, full discretion to invite any person including Director or key management personnel of the Company to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Audit Committee will assist the Board in discharging its responsibility to safeguard the assets of the Company, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains adequate and effective control environment in the Company. The Audit Committee will provide a channel of communication between the Board, the Management and the external auditors on matters relating to audit.

The Audit Committee has written terms of reference that sets out its duties and responsibilities. Amongst them, the Audit Committee is responsible for:

- reviewing the scope and results of the audit and its cost effectiveness;
- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, where the external auditors in their review or audit of the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial results previously announced by the Company;
- reviewing and assisting the Board to improve the quality of interim financial statements or financial updates;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to the Management and the Management's response;



# REPORT ON CORPORATE GOVERNANCE

- reviewing the half year and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;
- reviewing annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls), as well as risk management policies and systems established by the Management. The Audit Committee will also ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which have or are likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- reviewing potential conflicts of interest (if any);
- reviewing with the internal auditor, their internal audit plans and their evaluation of the adequacy and effectiveness of the internal control and accounting system before submission of the results of such review to the Board for approval;
- reviewing the independence, adequacy of resources and effectiveness of the internal audit function and whether the internal audit function has the appropriate standing within the Group, on an annual basis;
- reviewing and establishing procedures for receipt, retention and treatment of complaints received by the Company regarding, *inter alia*, criminal offences involving the Company or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Company;
- reviewing key financial risk areas, with a view to providing an independent oversight on the Company's financial reporting, the outcome of such review to be disclosed in the annual report or, where the findings are material, announced immediately via SGXNet;
- reviewing the Company's compliance with relevant government regulations and licensing requirements;
- undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and
- generally, undertaking such other functions and duties as may be required by statutes or by the Catalist Rules, or by such amendments as may be made thereto from time to time.

The Audit Committee shall also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the operating results and/or financial position of the Company. In the event that a member of the Audit Committee is interested in any matter being considered by the Audit Committee, he/she will abstain from reviewing that particular transaction or voting on that particular resolution.

# REPORT ON CORPORATE GOVERNANCE

## Provision 10.4

### **Internal Audit Function**

The current size of the operations of the Group does not warrant the Group to have an in-house audit function. The internal audit function of the Group has been outsourced to In.Corp Business Advisory Pte. Ltd., an independent accounting and auditing firm.

The internal auditor's primary line of reporting is to the Chairman of the Audit Committee. The Audit Committee will review the internal audit plan to ensure that the scope is adequate and covers the review of the significant business functions of the Group and all internal audit findings and recommendations are submitted to the Audit Committee for deliberation with copies of these reports extended to the relevant key management executives. The Audit Committee approves the appointment, termination, evaluation and fees of the internal audit firm.

The internal auditor is guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Company cooperates fully with the internal auditor in terms of allowing unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee.

The Audit Committee has reviewed with the internal auditors their audit plan and their evaluation of the system of internal controls and has evaluated their audit findings and Management's responses to those findings, the adequacy and effectiveness of material internal controls, (including financial, operational, compliance and information technology controls) and risk management systems of the Company and the Group for FY2023. The Audit Committee is satisfied that In.Corp Business Advisory Pte. Ltd. is independent, adequately resourced and effective, and has the appropriate standing within the Group. The Audit Committee is also of the view that In.Corp Business Advisory Pte. Ltd. is adequately staffed with persons with relevant qualifications and experience and adheres to professional standards including those promulgated by The Institute of Internal Auditors.

The Audit Committee will annually, review the independence, adequacy of resources and effectiveness of the internal audit function and ensure that it has appropriate standing within the Group.

### **External Audit Function**

The Audit Committee will review the independence and objectivity of external auditors annually after taking into account all audit and non-audit services provided to the Company. Having considered the breakdown of fees paid to the external auditors as detailed on page 71 of the Annual Report and compliance with Singapore Accountants (Public Accountants) Rules, as well as the nature and extent of such services, the Audit Committee is satisfied that such services will not prejudice the independence and objectivity of the external auditors. The external auditors have also confirmed their independence in this respect, and that they are registered with the Accounting and Corporate Regulatory Authority and approved under the Accountants Act 2004 of Singapore. The audit partner-in-charge assigned to the audit is a registered public accountant under the Accountants Act 2004 of Singapore.

After considering the adequacy of the resources and experience of the external auditors' firm and the audit partner-in-charge assigned to the audit, the firm's other audit engagements, the size and complexity of the Group and the number and experience of supervisory and professional staff assigned to the particular audit as well as the standard and quality of work performed by Ernst & Young LLP for past financial years, the Audit Committee is satisfied with and has recommended to the Board the nomination and re-appointment of Ernst & Young LLP as the external auditors for the Company's audit obligations for the financial year ending 31 December 2024, at the forthcoming AGM.

In appointing the auditing firms for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 of the Catalist Rules for FY2023.



# REPORT ON CORPORATE GOVERNANCE

## Provision 10.5

### **Meeting Auditors without the Management**

In performing its functions, the Audit Committee and Management meet with the external and internal auditors to discuss and evaluate the internal controls of the Group and review the overall scope of both external and internal audits. At least once a year and as and when required, the Audit Committee meets with the external and internal auditors without the presence of Management, to review any matters that might be raised privately.

For FY2023, the Audit Committee has met with the external auditors and the internal auditors once, without the presence of the Management.

### **Key Audit Matters**

The Audit Committee is kept abreast by the external auditors on regulatory changes and updated accounting standards during the Audit Committee meetings.

The Audit Committee has reviewed the key audit matters disclosed in the external auditors' report and is of the view that there is no material inconsistency between the audit procedures adopted by the external auditors and the Management's assessment.

### **Whistle Blowing Policy**

The Company has put in place a whistleblowing policy, whereby anyone may, in good faith and in confidence, raise concerns or observations about possible corporate malpractices and improprieties in financial reporting or other matters directly to Mr Henry Tan Song Kok, the Lead Independent Director and Chairman of the Audit Committee. The policy sets out procedures for a whistleblower to make a report to the Company on misconduct or wrongdoing relating to the Company and its officers.

The Audit Committee is responsible for oversight and monitoring of whistleblowing and will review the policy and arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective of the Audit Committee will be to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up actions.

The Group will take all reasonable steps to protect the identity of the whistleblower so as to ensure that the identity of the whistleblower is kept confidential – subject to legal or regulatory requirements. All information disclosed during the course of investigation will remain confidential, except as necessary or appropriate to conduct the investigation and to take any remedial action, in accordance with any applicable laws and regulations. The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower who submits a complaint or report in good faith.

No such whistleblowing report was received and no such matter was raised by any staff of the Group for FY2023.

### **Audit Committee Activities**

In FY2023, the Audit Committee had, among others, carried out the following activities:

- (a) reviewed the half-year and full-year financial statements announcements of the Group, and recommended to the Board for approval and release via the SGXNet;
- (b) reviewed the adequacy and effectiveness of the Group's internal controls (including financial, operations, compliance and information technology controls), and risk management systems;



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- (c) reviewed and approved the audit plan of the internal auditors;
- (d) reviewed the independence, adequacy of resources and effectiveness of the internal auditors and whether the internal auditors have the appropriate standing within the Group;
- (e) reviewed and approved the annual audit plan of the external auditors;
- (f) reviewed the independence of the external auditors;
- (g) reviewed the annual re-appointment of the external auditors and determined their remuneration, and made a recommendation for the Board's approval; and
- (h) met with the external auditors and internal auditors once without the presence of the Management.

## Principle 11: Shareholder Rights and Conduct of General Meetings

***The Company treats all Shareholders fairly and equitably in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.***

Provisions 11.1, 11.2, 11.3 and 11.4

All Shareholders are informed of Shareholders' meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the newspapers and posted onto SGXNet and the Company's corporate website. Shareholders are encouraged to attend the Company's general meetings and to participate effectively in and vote at general meetings of Shareholders to ensure a high level of accountability and to stay informed of the Company's strategies and growth plans and establish and maintain regular dialogue between the Company and Shareholders, to gather views and inputs, and address Shareholders' concerns. The chairpersons and/or members of the Board, the Audit Committee, the Remuneration Committee and the Nominating Committee, as well as the external auditors are normally available at Shareholders' meetings to address any Shareholders' queries, including those relating to the conduct of audit and the preparation and content of the auditors' report. All Directors, the Management, the company secretary, the external auditors and the Company's continuing sponsor were present at the 2023 AGM. Save for the 2023 AGM, there were no other general meetings of the Company held during FY2023.

If any Shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The Company's Constitution currently does not allow a member to appoint more than two (2) proxies to attend and vote at the same general meetings and for other absentia voting methods such as by mail, electronic mail, fax and/or other methods. With effect from 3 January 2016, the Companies Act 1967 of Singapore was amended, amongst others, to allow certain members, defined as "relevant intermediary" to attend and participate in general meetings. Relevant intermediary includes corporations holding licences in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

The Company's last AGM held on 26 April 2023 ("**2023 AGM**") was held, in a wholly physical format, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"). The notice of the 2023 AGM was not published in the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's corporate website, in accordance with the alternative arrangements for holding of general meetings pursuant to the COVID-19 Order.

# REPORT ON CORPORATE GOVERNANCE

Shareholders participated in the 2023 AGM, voting by appointing their proxies or the Chairman of the 2023 AGM as proxy and their questions (if any) in relation to any resolution set out in the notice of the 2023 AGM were to be sent to the Company in advance of the 2023 AGM, and responses to substantial and relevant questions were to be provided via announcement on SGXNet and the Company's corporate website. The Company did not receive any question from Shareholders before the 2023 AGM.

Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings.

The forthcoming AGM in respect of FY2023 will be convened in a wholly physical format and there will be no option for Shareholders to participate virtually. Please refer to the notice of forthcoming AGM dated 9 April 2024 as set out in this Annual Report for more information on how Shareholders may participate in the forthcoming AGM.

Pursuant to Rule 730A(2) of the Catalist Rules, all resolutions proposed at the AGM and at any adjournment thereof shall be put to the vote by way of poll. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. An external firm is appointed as scrutineers for the AGM voting process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages are announced via SGXNet after the AGM.

## Provision 11.5

### ***Minutes of General Meetings***

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and the Management. Minutes of the 2023 AGM had been published by the Company on its corporate website and SGXNet within one (1) month from the date of the 2023 AGM.

## Provision 11.6

### ***Dividend Policy***

The Company does not have a policy on payment of dividends. The issue of payment of dividend is deliberated by the Board annually having regard to various factors such as cash position, business prospects and capital commitments. The Company has not declared any dividend for FY2023 as the Board deems it appropriate to conserve cash for the Group's business activities and growth.

## **Principle 12: Engagement with Shareholders**

***The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.***

## Provisions 12.1, 12.2 and 12.3

The Board believes in regular, timely and effective communication with Shareholders. Shareholders are kept informed of all important developments concerning the Company through timely dissemination of information via SGXNet announcements, press releases, annual reports and various other announcements made whenever necessary.

# REPORT ON CORPORATE GOVERNANCE

The Company will voluntarily announce interim updates on useful and relevant information in addition to the mandatory financial statements to provide Shareholders a better understanding of the Company's performance. The Board will consider whether interim updates should be provided to Shareholders, and the appropriate frequency of the updates.

The AGM is the principal forum for dialogue between the Company and Shareholders, to gather views and inputs, and address Shareholders' concerns. The Company recognises the value of feedback from Shareholders. During the general meetings, Shareholders are given ample time and opportunities to air their views and concerns. All the Directors will endeavour to attend the general meetings, and Shareholders will be given the chance to share their thoughts and ideas or ask questions relating to the resolutions to be passed or on other corporate and business issues. Please refer to Principle 11 above for information on the proceedings of the 2023 AGM held in FY2023.

Presently, the Company does not have an investor relations policy or protocol in place nor a dedicated investor relations team. However, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act 1967 of Singapore. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary. Notwithstanding so, taking into account the communication and dialogue with Shareholders undertaken by the Company as set out above, the Board is of the view that the Company complies with Principle 12 of the Code.

## **Principle 13: Engagement with Stakeholders**

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.***

Provisions 13.1 and 13.2

### **Stakeholders' Engagement**

The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. They are namely, employees, customers, suppliers, investors and regulators. The Group has also undertaken a process to determine the economic, environmental, social and governance issues, which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Please refer to the sustainability report for FY2023 set out on pages 10 to 46 of this Annual Report for the details of the stakeholder engagement and materiality assessment.



# REPORT ON CORPORATE GOVERNANCE

## Provision 13.3

### **Corporate Website**

The Company maintains a corporate website at <http://asiavets.com> to communicate and engage with stakeholders. The corporate website provides, among others, announcements, annual reports, sustainability reports, and financial information of the Group, stock information of the Company, as well as the profiles of the Group, the Directors and the key management personnel.

### **Dealings in Securities**

The Company observes closely the best practices on dealings in securities ("**Securities Dealings Best Practices**") in compliance with Rule 1204(19) of the Catalist Rules. The Securities Dealings Best Practices provide guidance to the Directors and employees of the Company with regard to dealing in the Company's securities.

The Company issues circulars or electronic mails to its Directors, key management personnel and employees that they must not trade in the shares of the Company during the period commencing one (1) month before the release of the half year and full year results and ending on the date of such announcements. In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They should not deal in the Company's shares on short term considerations.

### **Interested Person Transactions**

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on normal commercial terms and shall not be prejudicial to the interests of the Company and its minority Shareholders. When a potential conflict of interest arises, the Director concerned takes no part in discussions nor exercises any influences over other members of the Board.

The Group has not obtained a general mandate from Shareholders for interested person transactions. During the financial year under review, there were no interested person transactions entered into by the Group that requires disclosure pursuant to the Catalist Rules.

### **Material Contracts**

Other than disclosed in the audited financial statements and the service agreement between the Executive Chairman and Chief Executive Officer, and the Company, there were no material contracts (including loans) entered into by the Company or its wholly-owned subsidiary involving the interests of the Executive Chairman and Chief Executive Officer, any Director or controlling Shareholders, which are either still subsisting as at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.

# REPORT ON CORPORATE GOVERNANCE

## Fees Paid to External Auditors

Ernst & Young LLP (“**EY**”), the external auditors of the Company, rendered the following services (and charged the fees) set out below for FY2023:

	<b>FY2023</b> <b>\$'000</b>
<u>Audit fees</u>	
– Statutory audit	<b>91</b>
<u>Non-audit fees</u>	
<i>Non audit related</i>	
– Tax returns compliance service – Current year	<b>9.5</b>
<i>Audit related services</i>	
– Half-year results review	<b>6</b>
– Proposed Acquisition fees*	<b>53</b>
Total audit and non-audit fees	<b>159.5</b>

\* Presented RTO fees relates to the proposed acquisition of the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. from RHT AIDigi Financial Holdings Pte. Ltd. (“**Proposed Acquisition**”), which is one-off in nature.

The amount of non-audit fees (excluding the audit related services) does not exceed 50% of the total annual audit fees charged by EY in FY2023.

The Audit Committee has reviewed all non-audit services (described above) provided by EY and is of the view that they did not affect the independence and objectivity of EY, as EY has confirmed its compliance with the Singapore Accountants (Public Accountants) Rules in respect of its independence to act as the auditor of the Company.

## Non-Sponsorship Fees

During FY2022, the Company’s Sponsor, ZICO Capital Pte. Ltd. (“**ZICO Capital**”) was appointed as the Financial Adviser to the Company for the Proposed Acquisition. Pursuant to the Proposed Acquisition, the financial advisory fees of \$180,000 (excluding GST) were payable or paid to ZICO Capital in FY2023 (FY2022: \$120,000).

Save as disclosed above, with reference to Rule 1204(21) of the Catalist Rules, there were no other non-sponsorship fees payable or paid to the Company’s sponsor, ZICO Capital, for FY2023.

# REPORT ON CORPORATE GOVERNANCE

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr Tan Tong Guan and Mr Kim Seah Teck Kim, being the Directors who are retiring and nominated for re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Director	Tan Tong Guan	Kim Seah Teck Kim
Date of first appointment	17 February 2010	25 April 2019
Date of last re-appointment (if applicable)	25 April 2022	25 April 2022
Age	60	69
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr Tan Tong Guan's (" <b>Mr Tan</b> ") contributions and performance as Executive Chairman and Chief Executive Officer of the Company, and the diversity of the Board of Directors of the Company with regards to the objectives of the Board Diversity Policy of the Company.	The Board of Directors of the Company has accepted and approved the Nominating Committee's recommendation, who has reviewed and considered Mr Kim Seah Teck Kim's (" <b>Mr Seah</b> ") contributions and performance as an Independent Director of the Company, and the diversity of the Board of Directors of the Company with regards to the objectives of the Board Diversity Policy of the Company.  Mr Seah, being a member of the Nominating Committee, has abstained from making any recommendation and/or participating in any deliberation of the Nominating Committee and the Board in respect of the assessment of his own performance or re-election as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Tan is responsible for providing the corporate direction and business strategy of the Group.	Non-Executive
Job title	Executive Chairman and Chief Executive Officer	Independent Director, the Chairman of Nominating Committee and Remuneration Committee, as well as a member of Audit Committee
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Accountancy from the National University of Singapore</li> <li>Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants</li> </ul>	<ul style="list-style-type: none"> <li>Master of Laws (Harvard)</li> <li>Bachelor of Laws (Hons) (Singapore)</li> <li>Advocate &amp; Solicitor</li> <li>Fellow &amp; Principal Mediator, Singapore Mediation Centre</li> </ul>

# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Tong Guan	Kim Seah Teck Kim
Working experience and occupation(s) during the past 10 years	<p>February 2010 to Present: Executive Chairman and Chief Executive Officer of the Company</p> <p>February 1991 to Present: Executive Director of Tan Gee Beng Private Limited</p> <p>July 2003 to July 2016: Executive Chairman of Smartflex Technology Pte Ltd</p>	<p>2021 to Present: Incisive Law LLC, Director</p> <p>2018 to 2021: Incisive Law LLC, Consultant</p> <p>1998 to 2018: A Ang Seah &amp; Hoe, Partner</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Yes</p> <p>As at 21 March 2024:</p> <p>Direct interest – 1,726,501 ordinary shares of the Company</p> <p>Deemed interest – 57,539,331 ordinary shares of the Company</p>	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Mr Tan is a shareholder of the Company, details as set out above.</p> <p>Mr Tan is the brother of Ms Tan Geok Moey, the Non-Executive Director of the Company.</p> <p>Mr Tan is also related to the other substantial shareholders of the Company, namely, Tan Gee Beng Private Limited, Ms Tan Geok Moey and Ms Tan Yoke Hong. Mr Tan is a director of Tan Gee Beng Private Limited, and the brother of Ms Tan Geok Moey and Ms Tan Yoke Hong.</p> <p>Mr Tan is a director of the Company's wholly-owned subsidiary, AVH Animal Ark Pte. Ltd..</p>	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes



# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Tong Guan	Kim Seah Teck Kim
<p>Other Principal Commitments Including Directorships</p>	<p><b>Past (for the last 5 years)</b></p> <p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>- Teck Gee Investments (International) Pte Ltd</li> <li>- NZ First Properties Pte. Ltd.</li> </ul> <p><u>Other Principal Commitment</u></p> <p>Nil</p> <p><b>Present</b></p> <p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>- Tan Gee Beng Private Limited</li> <li>- Sing Holdings Limited</li> <li>- TGB Properties Pte. Ltd.</li> <li>- Perusahaan TGB Sdn Bhd</li> <li>- Centrepoint Tiara (M) Sdn Bhd</li> <li>- TGB Properties (NZ) Pte. Ltd.</li> <li>- Cosmos Investment Pte Ltd</li> <li>- Tan Gee Beng (Hong Kong) Limited</li> <li>- Suzhou Hongchang Packing</li> <li>- Red Blue Development Sdn Bhd</li> <li>- Ningbo Shino Cosmetic Cotton Co. Ltd</li> <li>- D.E. Cosmetics Ningbo Co. Ltd</li> <li>- Wellington First Properties (NZ) Pte. Ltd.</li> <li>- AVH Animal Ark Pte. Ltd.</li> </ul> <p><u>Other Principal Commitment</u></p> <p>Nil</p>	<p><b>Past (for the last 5 years)</b></p> <p><u>Directorship</u></p> <ul style="list-style-type: none"> <li>- Sing Investments &amp; Finance Limited</li> </ul> <p><u>Other Principal Commitment</u></p> <ul style="list-style-type: none"> <li>- A Ang Seah &amp; Hoe (Founding Partner)</li> </ul> <p><b>Present</b></p> <p><u>Directorships</u></p> <ul style="list-style-type: none"> <li>- The Anglo-Chinese Schools Foundation Limited</li> <li>- Camelot Trustees Limited</li> <li>- ACS (International)</li> <li>- Oldham Enterprise Pte Ltd</li> <li>- Incisive Law LLC</li> <li>- AVH Animal Ark Pte. Ltd.</li> </ul> <p><u>Other Principal Commitments</u></p> <ul style="list-style-type: none"> <li>- The Association of Banks in Singapore (Legal Adviser)</li> <li>- Paris-based International Chamber of Commerce Banking Commission (Member)</li> <li>- ICC DOCDEX panel (Appointed Expert)</li> <li>- Singapore Mediation Centre (Fellow Member)</li> <li>- Patron Dispute Committee of the Casino Regulatory Authority, Singapore (Chairman)</li> <li>- Disciplinary Panels of – <ul style="list-style-type: none"> <li>(i) the Law Society of Singapore (Member)</li> <li>(ii) Singapore Medical Council (Member)</li> <li>(iii) Singapore Pharmacy Council (Member)</li> <li>(iv) Public Service Commission, Singapore (Member)</li> </ul> </li> </ul>

# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Tong Guan	Kim Seah Teck Kim
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</b>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No



# REPORT ON CORPORATE GOVERNANCE

<b>Name of Director</b>	<b>Tan Tong Guan</b>	<b>Kim Seah Teck Kim</b>
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

# REPORT ON CORPORATE GOVERNANCE

Name of Director	Tan Tong Guan	Kim Seah Teck Kim
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
<p>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No

# DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Asia Vets Holdings Ltd. (the "Company") and its subsidiary (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

## **Opinion of the directors**

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## **Directors**

The directors of the Company in office at the date of this statement are:

Tan Tong Guan  
Tan Geok Moey  
Kim Seah Teck Kim  
Henry Tan Song Kok

## **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act 1967 an interest in shares of the Company and related corporations (other than wholly owned subsidiary) as stated below:

Name of directors	Number of ordinary shares			
	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
<b>The Company</b>				
Tan Tong Guan <sup>(1)</sup>	1,726,501	1,726,501	57,539,331	57,539,331
Tan Geok Moey <sup>(1)</sup>	–	–	57,539,331	57,539,331
<b>Ultimate holding company</b>				
<b>Tan Gee Beng Pte. Ltd.</b>				
Tan Tong Guan <sup>(2)</sup>	16,975	16,975	7,333	7,333
Tan Geok Moey	11,120	11,120	–	–

<sup>(1)</sup> Tan Tong Guan and Tan Geok Moey are deemed to have an interest in the shares held by Tan Gee Beng Pte. Ltd. by virtue of Section 7 of the Companies Act 1967.

<sup>(2)</sup> Tan Tong Guan is deemed to have an interest in the 7,333 shares held by his spouse.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## Audit committee

The audit committee ("AC") carried out its functions in accordance with Singapore Companies Act 1967.

The AC, having reviewed all non-audit services provided by the external auditor to the Company, is satisfied that the nature and extent of such services would not affect the independence of external auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditor, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

# DIRECTORS' STATEMENT

## **Options**

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

## **Auditor**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tan Tong Guan  
Director

Henry Tan Song Kok  
Director

Singapore  
28 March 2024



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Asia Vets Holdings Ltd. (the "Company") and its subsidiary (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Key Audit Matters (Continued)

### Impairment assessment of goodwill and cost of investment in a subsidiary

As at 31 December 2023, goodwill is carried at \$8,404,846 and represents 45% of the Group's total assets. The goodwill arose from the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. (the "subsidiary") and has been allocated to the Group's veterinarian business cash generating unit ("CGU"). In the Company's balance sheet as at 31 December 2023, the Company's cost of investment in the subsidiary is carried at \$3,071,040.

As part of the annual impairment assessment of goodwill, management has determined the recoverable amount of the CGU by estimating value in use based on cash flow projections of the CGU's business. Management has also identified indicators of impairment in respect to the Company's cost of investment in the subsidiary, which led to the determination of the subsidiary's recoverable amount that is based on the CGU's value in use adjusted to arrive at a measurement consistent with the equity nature of the investment in the subsidiary. Due to the significance of judgement exercised in identifying indicators of impairment, forecasting and discounting future cash flows, the heightened level of estimation uncertainty associated with current economic conditions, we have considered the impairment assessment of goodwill and the cost of investment in the subsidiary to be a key audit matter.

We have performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- reviewed management's assessment of whether there is any indication that the Company's cost of investment in the subsidiary may be impaired from both internal and external sources of information and evaluated the relevant indicators of impairment identified by management;
- assessed the valuation methodology used by management in estimating the value in use and evaluated the key assumptions and estimates used by management in forecasting and discounting future cash flows, such as revenue projections, profit margins, long-term growth rate, and discount rate based on our understanding of the business, making comparison to available economic and financial data;
- considered the robustness of management's budgeting process by comparing the actual financial performance against previously forecasted results;
- involved our internal valuation specialists to assess the reasonableness of certain key assumptions such as discount rate and long-term growth rate;
- performed sensitivity analysis on reasonably possible changes in the respective key assumptions to changes in the recoverable amount of the CGU;
- evaluated the appropriateness of the adjustments made to the CGU's value in use to arrive at an estimate of the recoverable amount of the Company's cost of investment in the subsidiary; and
- reviewed the adequacy of the disclosures on the impairment assessment in Note 12 of the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Key Audit Matters (Continued)

### **Estimation of expected credit loss relating to the Company's loans due from a subsidiary**

As at 31 December 2023, the Company has loans due from a subsidiary of \$4,819,207 that represents 27% of the Company's total assets.

The loans due from a subsidiary is subject to expected credit loss assessments at the reporting date. Due to the significance of judgement exercised in identifying any significant increase in credit risks since initial recognition and/or events of default, estimating the probability of any losses from possible future default, associated forward looking adjustment, and the heightened level of estimation uncertainty associated with current economic conditions, we have considered the estimation of the expected credit loss arising from the loans due from a subsidiary to be a key audit matter.

We have performed the following audit procedures, amongst others, in response to the above-mentioned key audit matter:

- reviewed management's process of monitoring collectability and credit risks (including any significant increase in credit risks) relating to the Company's loans due from a subsidiary, which includes but is not limited to the review of the subsidiary's business performance, historical and future cash flows generating ability of the subsidiary, and repayments made during the year and up till the date of the financial statements;
- evaluated management assessment of expected credit loss relating to the loans due from a subsidiary that takes into account any significant increase in credit risk since initial recognition, the expected timing and extent of repayment, relevant market rate of interest, and expected default rates and forward looking adjustments based on economic outlook observed from external information sources; and
- Assessed the adequacy of the Company's disclosures on the loans due from a subsidiary and related credit risk information in Note 22(a) to the financial statements.

## Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASIA VETS HOLDINGS LTD.  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Teo Li Ling.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

28 March 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$	2022 \$
<b>Revenue</b>	4	<b>2,325,791</b>	2,421,335
Cost of sales		<b>(1,627,440)</b>	(1,573,021)
<b>Gross profit</b>		<b>698,351</b>	848,314
Other operating income	5	<b>374,587</b>	113,841
Administrative expenses		<b>(1,806,024)</b>	(1,715,409)
Other expenses	6	<b>(3,000)</b>	(11,000)
Finance expenses		<b>(8,207)</b>	(14,236)
<b>Loss before tax</b>	7	<b>(744,293)</b>	(778,490)
Income tax credit	8	<b>-</b>	11,538
<b>Loss for the year, representing total comprehensive income attributable to owners of the Group</b>		<b>(744,293)</b>	(766,952)
<b>Loss per share (in \$ cents)</b>			
Basic	11	<b>(0.51)</b>	(0.52)
Diluted	11	<b>(0.51)</b>	(0.52)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**BALANCE SHEETS**

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Non-current assets</b>					
Plant and equipment	9	130,874	122,918	-	-
Right-of-use assets	21	142,361	291,022	-	-
Investment in a subsidiary	10	-	-	3,071,040	3,371,040
Goodwill	12	8,404,846	8,404,846	-	-
Loans due from a subsidiary	13	-	-	4,819,207	4,958,756
		<b>8,678,081</b>	<b>8,818,786</b>	<b>7,890,247</b>	<b>8,329,796</b>
<b>Current assets</b>					
Inventories	14	102,408	107,708	-	-
Trade and other receivables	15	762,929	349,085	1,161,676	311,520
Prepayment		27,177	28,575	9,267	9,716
Cash and cash equivalents	16	9,010,178	10,098,960	8,842,168	9,999,172
		<b>9,902,692</b>	<b>10,584,328</b>	<b>10,013,111</b>	<b>10,320,408</b>
<b>Total assets</b>		<b>18,580,773</b>	<b>19,403,114</b>	<b>17,903,358</b>	<b>18,650,204</b>
<b>Current liabilities</b>					
Trade payables	17	58,904	62,959	-	-
Other payables and accruals	18	523,714	442,800	151,620	160,430
Provision for taxation		-	-	10,719	-
Lease liabilities	21	131,485	185,100	-	-
		<b>714,103</b>	<b>690,859</b>	<b>162,339</b>	<b>160,430</b>
<b>Net current assets</b>		<b>9,188,589</b>	<b>9,893,469</b>	<b>9,850,772</b>	<b>10,159,978</b>
<b>Non-current liabilities</b>					
Lease liabilities	21	18,978	120,270	-	-
		<b>18,978</b>	<b>120,270</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>733,081</b>	<b>811,129</b>	<b>162,339</b>	<b>160,430</b>
<b>Net assets</b>		<b>17,847,692</b>	<b>18,591,985</b>	<b>17,741,019</b>	<b>18,489,774</b>
<b>Equity attributable to equity holders of the Company</b>					
Share capital	19(a)	21,333,219	21,333,219	21,333,219	21,333,219
Capital reserve	19(b)	227,730	227,730	227,730	227,730
Revenue reserve		(3,713,257)	(2,968,964)	(3,819,930)	(3,071,175)
<b>Total equity</b>		<b>17,847,692</b>	<b>18,591,985</b>	<b>17,741,019</b>	<b>18,489,774</b>
<b>Total equity and liabilities</b>		<b>18,580,773</b>	<b>19,403,114</b>	<b>17,903,358</b>	<b>18,650,204</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital (Note 19a) \$	Capital reserve (Note 19b) \$	Revenue reserve \$	Total equity \$
<b>Group</b>				
<b>Opening balance at 1 January 2023</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,968,964)</b>	<b>18,591,985</b>
Loss for the year, representing total comprehensive income for the year	-	-	<b>(744,293)</b>	<b>(744,293)</b>
Total comprehensive income for the year	-	-	<b>(744,293)</b>	<b>(744,293)</b>
<b>Closing balance at 31 December 2023</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(3,713,257)</b>	<b>17,847,692</b>
<b>Opening balance at 1 January 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,202,012)</b>	<b>19,358,937</b>
Loss for the year, representing total comprehensive income for the year	-	-	<b>(766,952)</b>	<b>(766,952)</b>
Total comprehensive income for the year	-	-	<b>(766,952)</b>	<b>(766,952)</b>
<b>Closing balance at 31 December 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(2,968,964)</b>	<b>18,591,985</b>

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital (Note 19a) \$	Capital reserve (Note 19b) \$	Revenue reserve \$	Total equity \$
<b>Company</b>				
<b>Opening balance at 1 January 2023</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(3,071,175)</b>	<b>18,489,774</b>
Loss for the year, representing total comprehensive income for the year	-	-	<b>(748,755)</b>	<b>(748,755)</b>
Total comprehensive income for the year	-	-	<b>(748,755)</b>	<b>(748,755)</b>
<b>Closing balance at 31 December 2023</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(3,819,930)</b>	<b>17,741,019</b>
<b>Opening balance at 1 January 2022</b>	21,333,219	227,730	97,902	21,658,851
Loss for the year, representing total comprehensive income for the year	-	-	<b>(3,169,077)</b>	<b>(3,169,077)</b>
Total comprehensive income for the year	-	-	<b>(3,169,077)</b>	<b>(3,169,077)</b>
<b>Closing balance at 31 December 2022</b>	<b>21,333,219</b>	<b>227,730</b>	<b>(3,071,175)</b>	<b>18,489,774</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Loss before tax		(744,293)	(778,490)
Adjustments for:			
Depreciation of plant and equipment	9	54,822	84,401
Depreciation of right-of-use assets	21	179,824	175,643
Loss on disposal of plant and equipment	7	331	1,050
Gain on termination of lease		(505)	–
Bad debt written-off		509	28
Interest income	5	(321,527)	(104,577)
Interest expenses		8,207	14,236
Unrealised exchange loss		206	84
<b>Operating cash flows before working capital changes</b>		<b>(822,426)</b>	<b>(607,625)</b>
Decrease/(Increase) in inventories		5,300	(2,885)
Increase in trade and other receivables		(436,234)	(283,455)
Decrease/(Increase) in prepayments		1,398	(2,684)
Increase in trade and other payables		76,860	49,911
<b>Cash used in operations</b>		<b>(1,175,102)</b>	<b>(846,738)</b>
Interest received		343,407	85,674
<b>Net cash flows used in operating activities</b>		<b>(831,695)</b>	<b>(761,064)</b>
<b>Cash flows from investing activity</b>			
Purchase of plant and equipment		(63,109)	(55,624)
<b>Net cash flows used in investing activity</b>		<b>(63,109)</b>	<b>(55,624)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	21	(185,565)	(166,664)
Interest paid		(8,207)	(14,236)
<b>Net cash flows used in financing activities</b>		<b>(193,772)</b>	<b>(180,900)</b>
Net decrease in cash and cash equivalents		(1,088,576)	(997,588)
Cash and cash equivalents at beginning of year	16	10,098,960	11,096,632
Effect of exchange rate changes on cash and cash equivalent		(206)	(84)
<b>Cash and cash equivalents at end of year</b>	16	<b>9,010,178</b>	<b>10,098,960</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 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 de facto a 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 located 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 10 to the financial statements.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been drawn up in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”), which is the Group’s functional currency except when otherwise indicated.

The financial statements of the Group have been prepared on the basis that it will continue to operate as a going concern.

### 2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, 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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: <i>Non-current liabilities with covenants</i>	1 January 2024
Amendments to SFRS(I) 1-7 <i>Statement of Cash Flows and SFRS(I) 7 Financial Instruments Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 16 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-21: <i>Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation and business combinations

#### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the end of the reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 Basis of consolidation and business combinations (Continued)

#### (b) *Business combinations and goodwill (Continued)*

Non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating unit (CGU) that is expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates.

### 2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company and its subsidiary's functional currency.

#### Transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and its subsidiary and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Veterinary and medical equipment	–	7 years
Office and other equipment	–	7 years
Computer and software	–	3 years
Furniture and fixtures	–	7 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

### 2.7 Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiary are accounted for at cost less impairment losses.

### 2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit and loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.9 Financial instruments

#### (a) **Financial assets**

##### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### Subsequent measurement

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The financial assets of the Group are measured at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

##### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

#### (b) **Financial liabilities**

##### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.9 Financial instruments (Continued)

#### (b) *Financial liabilities (Continued)*

##### Subsequent measurement

- (i) Amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.10 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical loss rate of trade receivables, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group may also consider a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and fixed deposits with banks that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Veterinarian supplies: purchase costs on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.14 Employees benefits

#### (a) *Defined contribution plan*

The Group makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.15 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Veterinary services*

The Group provides veterinary treatments to various kind of pets which include consultation and surgery & procedures.

Revenue from the rendering of services are recognised when the services are rendered to the customer at a point in time upon the completion of the services.

(b) *Sales of veterinary medicines and products*

Revenue from sale of veterinary medicines and products are recognised when control of the goods has been transferred to the customer at a point in time. Control is transferred upon the transfer of significant risk and rewards of ownership of the goods, which generally coincides with the delivery of goods.

The amount of revenue recognised is based on the transaction price, net of discount. The Group does not have variable consideration such as right of returns, refunds or volume rebates.

(c) *Interest income*

Interest income is recognised using the effective interest method.

### 2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.17 Taxes

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

#### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.17 Taxes (Continued)

#### (b) *Deferred tax (Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

### 2.18 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.19 Segmental reporting

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

### 2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- (a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

The Group has applied the amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to Covid-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Properties	–	2 to 3 years
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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.21 Leases (Continued)

(a) *As lessee (Continued)*

Right-of-use assets (Continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements.

### 3.2 Key sources of estimation uncertainty

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 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) *Impairment assessment of goodwill*

As disclosed in Note 12 to the financial statements, the recoverable amount of the 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 discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. 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 financial statements.

The carrying amount of the goodwill as at 31 December 2023 is disclosed in Note 12.

#### (b) *Impairment of investment in and loans to 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 annual growth rate of the business, the budgeted gross profit margin, the discount rate and the terminal growth rate used for the discounted cash flow model. The carrying amount of the investment as at 31 December 2023 is disclosed in Note 10.

The loans to a subsidiary are subject to expected credit loss ("ECL") assessment at year end. 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 22(a).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. REVENUE

This represents revenue from rendering of veterinary services and sales of veterinary medicines and products.

	Group	
	2023	2022
	\$	\$
Veterinary services	<b>1,027,318</b>	1,082,584
Sales of veterinary medicines and products	<b>1,298,473</b>	1,338,751
Total revenue recognised at point in time	<b><u>2,325,791</u></b>	<u>2,421,335</u>

The revenues are all generated from a single operating segment in Singapore.

## 5. OTHER OPERATING INCOME

	Group	
	2023	2022
	\$	\$
Interest income from financial institutions	<b>321,527</b>	104,577
Government grants	<b>52,555</b>	9,260
Gain on termination of lease	<b>505</b>	–
Miscellaneous income	–	4
	<b><u>374,587</u></b>	<u>113,841</u>

Government grants in 2023 relates mainly to the increase in Progressive Wage Credit Scheme (“PWCS”) grants and Government-Paid Maternity Leave (“GPML”) Scheme grants.

## 6. OTHER EXPENSES

	Group	
	2023	2022
	\$	\$
Donations to the approved Institution of a Public Character (“IPC”)	<b><u>3,000</u></b>	<u>11,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 7. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2023	2022
	\$	\$
Professional fees <sup>1</sup>	448,568	387,595
Loss on disposal of plant and equipment	331	1,050
Depreciation of plant and equipment	54,822	84,401
Depreciation of right-of-use assets	179,824	175,643
Inventories recognised as an expense in cost of sales	685,290	698,231
Bad debt written off	509	28
Employee benefits expense:		
– Salaries and bonuses	1,403,920	1,286,800
– Directors' fees	135,000	145,911
– Employer's contributions to Central Provident Fund	160,371	153,205

The employee benefits expenses include key management personnel remuneration as shown in Note 20.

<sup>1</sup> On 30 December 2021, the Company has entered into a sales and purchase agreement to acquire the entire issued and paid-up share capital in AIDigi Holdings Pte. Ltd. (the "Target") from RHT AIDigi Financial Holdings Pte. Ltd. (the "Vendor") (the "Proposed Acquisition").

During the financial year, as part of the Proposed Acquisition, the Company recognised professional fees amounted to \$326,458 (2022: \$289,640) based on services received from the professional firms.

## 8. INCOME TAX CREDIT

### (a) Major components of income tax credit

The major components of income tax credit for the years ended 31 December are:

	Group	
	2023	2022
	\$	\$
Deferred income tax		
– Origination temporary differences	-	11,538
Income tax credit recognised in profit or loss	-	11,538

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. INCOME TAX CREDIT (CONTINUED)

### (b) Relationship between tax credit and accounting loss

A reconciliation between the tax credit and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 December are as follows:

	Group	
	2023	2022
	\$	\$
Loss before tax	<b>(744,293)</b>	(778,490)
Income tax at statutory rate of 17% (2022: 17%)	<b>(126,530)</b>	(132,343)
Adjustments:		
Non-deductible expenses	<b>72,966</b>	94,775
Unrecognised deferred tax assets	<b>53,564</b>	26,030
Income tax credit recognised in profit or loss	<b>-</b>	(11,538)

No deferred tax asset has been recognised in the financial statements due to the uncertainty of future taxable profits to realise the tax benefits. The Group has approximately unrecognised tax losses of \$574,000 (2022: \$259,000) and capital allowances of \$153,000 (2022: \$25,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses and capital allowances have no expiry date.

### (c) Deferred taxation

Deferred income tax as at 31 December relates to the following:

	Group			
	Balance sheet		Statement of comprehensive income	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Deferred tax liabilities:</b>				
Differences in depreciation for tax purposes	<b>(24,768)</b>	(15,944)	<b>8,824</b>	(5,794)
<b>Deferred tax assets:</b>				
Provisions	<b>4,401</b>	1,838	<b>(2,563)</b>	178
Unutilised tax loss	<b>20,367</b>	14,106	<b>(6,261)</b>	(5,922)
Net deferred tax liabilities	<b>-</b>	-	<b>-</b>	-
<b>Deferred tax credit</b>			<b>-</b>	(11,538)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. PLANT AND EQUIPMENT

	Veterinary and medical equipment \$	Office and other equipment \$	Computer and software \$	Furniture and fixtures \$	Total \$
<b>Group</b>					
<b>Cost:</b>					
At 1 January 2022	483,922	5,565	55,022	6,133	550,642
Additions	24,835	4,945	7,044	18,800	55,624
Disposals	(2,599)	–	(6,825)	(1,800)	(11,224)
At 31 December 2022 and 1 January 2023	506,158	10,510	55,241	23,133	595,042
Additions	61,196	–	1,913	–	63,109
Disposals	(83,990)	(1,265)	(1,089)	–	(86,344)
At 31 December 2023	<b>483,364</b>	<b>9,245</b>	<b>56,065</b>	<b>23,133</b>	<b>571,807</b>
<b>Accumulated depreciation:</b>					
At 1 January 2022	356,999	2,675	33,375	4,848	397,897
Charge for the year	68,346	1,031	13,743	1,281	84,401
Disposals	(2,599)	–	(6,825)	(750)	(10,174)
At 31 December 2022 and 1 January 2023	422,746	3,706	40,293	5,379	472,124
Charge for the year	40,792	1,471	9,873	2,686	54,822
Disposals	(83,990)	(933)	(1,090)	–	(86,013)
At 31 December 2023	<b>379,548</b>	<b>4,244</b>	<b>49,076</b>	<b>8,065</b>	<b>440,933</b>
<b>Net carrying amount:</b>					
At 31 December 2022	83,412	6,804	14,948	17,754	122,918
At 31 December 2023	<b>103,816</b>	<b>5,001</b>	<b>6,989</b>	<b>15,068</b>	<b>130,874</b>

## 10. INVESTMENT IN A SUBSIDIARY

	Company	
	2023 \$	2022 \$
Shares, at cost	100	100
Investment in a subsidiary	4,294,059	4,294,059
Transaction cost relating to the acquisition	1,925,881	1,925,881
Allowance for impairment loss	(3,149,000)	(2,849,000)
	<b>3,071,040</b>	<b>3,371,040</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. INVESTMENT IN A SUBSIDIARY (CONTINUED)

As at the end of the reporting period, the Company carried out a review of the investment in subsidiary, having regard for indicators of impairment on investment in subsidiary based on the existing performance of the subsidiary. Following the review, an impairment loss of approximately \$300,000 (2022: \$2,849,000) was recognised for the subsidiary for the current financial year. The estimated recoverable amount of the impaired subsidiary of \$3,071,040 (2022: \$3,371,040) was determined from value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years and projected to terminal year. The key assumptions for these value-in-use calculations are those regarding the discount rates and revenue growth rates disclosed in Note 12.

Details of the Company's subsidiary at 31 December are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Principal activities	2023	2022
			%	%
<b>Held by the Company</b>				
AVH Animal Ark Pte.Ltd. <sup>1</sup>	Singapore	Own and operate veterinary clinics	100%	100%

<sup>1</sup> Audited by Ernst & Young LLP, Singapore

## 11. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2023	2022
	\$	\$
Loss for the year attributable to owners of the Group used in the computation of basic and diluted loss per share	<b>(744,293)</b>	(766,952)
Weighted average number of ordinary shares for basic loss per share computation ('000)	<b>146,146</b>	146,146
Loss per share (in \$ cents)	<b>(0.51)</b>	(0.52)
Weighted average number of ordinary shares for diluted loss per share computation ('000)	<b>146,146</b>	146,146
Diluted loss per share (in \$ cents)	<b>(0.51)</b>	(0.52)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. GOODWILL

	Group	
	2023	2022
	\$	\$
<b>Cost:</b>		
1 January and 31 December	<b>8,404,846</b>	8,404,846

### *Impairment testing of goodwill*

Goodwill acquired from the Acquisition had been allocated to one CGU, AVH Animal Ark Pte. Ltd., for impairment testing. The recoverable amount has been determined based on value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period. The post-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flow projections beyond five-year period are as follows:

	2023	2022
Revenue growth rate	<b>3.50% – 39.90%</b>	5.00% – 21.50%
Terminal growth rate	<b>1.90%</b>	1.50%
Budgeted gross margin	<b>32.60% – 36.70%</b>	35.00 – 37.00%
Post-tax discount rate	<b>10.00%</b>	10.00%

### 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.

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 32.6% is applied for FY2024 and 36.7% for FY2025 to FY2028 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, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. LOANS DUE FROM A SUBSIDIARY

	Company	
	2023	2022
	\$	\$
<b>Non-current:</b>		
Loans due from subsidiary at cost <sup>1</sup>	5,336,207	5,060,756
Allowance for expected credit loss <sup>2</sup>	(517,000)	(102,000)
	<b>4,819,207</b>	<b>4,958,756</b>

<sup>1</sup> This represents the loan obtained from the Company to finance the Acquisition on 13 August 2018. The loans due from subsidiary is unsecured, interest-free and repayable in August 2023 and March 2026. In 2022, the Board has approved the extension of the repayment dates to 2030 and 2031, respectively. All amounts are expected to be settled in cash.

<sup>2</sup> The impairment assessment was performed for the loans due from subsidiary using the three-stage expected credit loss ("ECL") model. Following the review, an additional ECL allowance of \$415,000 is recognised for FY2023 (FY2022: \$102,000).

### Expected credit losses

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

	Company	
	2023	2022
	\$	\$
Movement in allowance accounts:		
Balance as at 1 January	102,000	–
Charge for the year	415,000	102,000
Balance as at 31 December	<b>517,000</b>	<b>102,000</b>

## 14. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Balance sheets</b>				
Veterinarian supplies	<b>102,408</b>	107,708	–	–
<b>Consolidated statement of comprehensive income</b>				
Inventories recognised as an expense in cost of sales	<b>685,290</b>	698,231	–	–

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Trade receivables	<b>3,020</b>	1,881	-	-
Interest receivable from financial institutions	-	21,880	-	21,880
Sundry deposits	<b>35,090</b>	34,670	-	-
Other receivables				
– Third parties	<b>724,819</b>	290,654	<b>724,819</b>	289,640
– Subsidiary	-	-	<b>436,857</b>	-
Total trade and other receivables	<b>762,929</b>	349,085	<b>1,161,676</b>	311,520
Add:				
Cash and bank deposits (Note 16)	<b>9,010,178</b>	10,098,960	<b>8,842,168</b>	9,999,172
Loans due from a subsidiary (Note 13)	-	-	<b>4,819,207</b>	4,958,756
Total financial assets carried at amortised cost	<b>9,773,107</b>	10,448,045	<b>14,823,051</b>	15,269,448

### 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 which will be reimbursed from the Vendor.

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

### Expected credit losses

No allowance for expected credit losses are recognised for trade and other receivables as the historical default rate and forward-looking information result in insignificant expected credit losses (Note 22(a)).





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Cash at banks and on hand	<b>9,010,178</b>	1,309,289	<b>8,842,168</b>	1,209,501
Fixed deposits with banks	–	8,789,671	–	8,789,671
Cash and bank deposits	<b>9,010,178</b>	10,098,960	<b>8,842,168</b>	9,999,172
Cash and cash equivalents in statement of cash flows	<b>9,010,178</b>	10,098,960	<b>8,842,168</b>	9,999,172

### **Cash at banks**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

### **Fixed deposits with banks**

Fixed deposits with banks are made for varying periods of between one and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates for the financial year 31 December 2023 for the Group was 2.03% (2022: 1.17%). As at 31 December 2023, there is no fixed deposit placed with bank.

Included in cash and cash equivalents at 31 December are the following foreign currency denominated balances:

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
United States Dollar	<b>13,224</b>	13,431	<b>13,224</b>	13,431

## 17. TRADE PAYABLES

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Trade payables	<b>58,904</b>	62,959	–	–

Trade payables are non-interest bearing and are normally settled between 1 and 60 days' terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Accrued operating expenses	<b>473,858</b>	398,342	<b>146,300</b>	155,111
Other payables	<b>17,593</b>	19,788	<b>5,320</b>	5,319
GST payables, net	<b>32,263</b>	24,670	–	–
Other payables and accruals	<b>523,714</b>	442,800	<b>151,620</b>	160,430
Less: GST payables, net	<b>(32,263)</b>	(24,670)	–	–
Total financial liabilities carried at amortised cost	<b>491,451</b>	418,130	<b>151,620</b>	160,430

### Accrued operating expenses

Accrued operating expenses relates to accrued employees benefits and professional fees to third parties.

### Other payables

Other payables are non-interest bearing and are normally settled on 30 to 60 days' term.

## 19. SHARE CAPITAL AND RESERVES

### (a) Share capital

	2023		2022	
	No. of shares '000	\$	No. of shares '000	\$
At 1 January, 31 December	<b>146,146</b>	<b>21,333,219</b>	146,146	21,333,219

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.

### (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 year end is net of subscription fee and issuance expenses. The bonus issue warrants have expired on 30 June 2020 and not exercised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 20. RELATED PARTY TRANSACTIONS

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
<b>Compensation of key management personnel</b>				
Short-term employee benefits	671,003	568,237	-	-
Central Provident Fund contributions	51,445	42,726	-	-
Directors' fees	135,000	145,911	88,000	103,541
	<b>857,448</b>	756,874	<b>88,000</b>	103,541
<i>Comprise amounts paid to:</i>				
Directors	538,885	473,679	88,000	103,541
Other key management personnel	318,563	283,195	-	-
	<b>857,448</b>	756,874	<b>88,000</b>	103,541

## 21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

*Group as a lessee*

The Group has lease contracts for its office and veterinary clinics. These leases have an average tenure of between one to three years. There are no restrictions placed upon the Group by entering into these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Properties \$
<b>Cost:</b>	
At 1 January 2022	504,481
Additions	50,831
Disposals	(46,210)
At 31 December 2022 and 1 January 2023	509,102
Additions	55,520
Disposals	(50,832)
At 31 December 2023	<b>513,790</b>
<b>Accumulated depreciation:</b>	
At 1 January 2022	88,647
Charge for the year	175,643
Disposal	(46,210)
At 31 December 2022 and 1 January 2023	218,080
Charge for the year	179,824
Disposal	(26,475)
At 31 December 2023	<b>371,429</b>
<b>Net carrying amount:</b>	
At 31 December 2022	291,022
At 31 December 2023	<b>142,361</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

*Group as a lessee (Continued)*

Set out below are the carrying amounts of lease liabilities, movements during the period and reconciliation of liability arising from the Group's financing activity:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>At 1 January</b>	<b>305,370</b>	421,203
Additions	<b>55,520</b>	50,831
Disposal	<b>(24,862)</b>	–
Accretion of interest	<b>8,207</b>	14,236
Payments		
– Principal	<b>(185,565)</b>	(166,664)
– Interest	<b>(8,207)</b>	(14,236)
	<b>(193,772)</b>	(180,900)
<b>At 31 December</b>	<b>150,463</b>	305,370
Current	<b>131,485</b>	185,100
Non-current	<b>18,978</b>	120,270
	<b>150,463</b>	305,370

The following are the amounts recognised in profit or loss:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Depreciation expense of right-of-use assets	<b>179,824</b>	175,643
Interest expense on lease liabilities	<b>8,207</b>	14,236
	<b>188,031</b>	189,879

The Group had total cash outflow for leases of \$193,772 (2022: \$180,900) in 2023.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leases portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The management reviews and agrees policies and procedures for managing each of these risks. It is, and has been throughout the period under review, the Group and the Company's policy that no trading in derivative financial instruments shall be undertaken. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. In addition, receivable balances are monitored on an ongoing basis by the Group.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 30 days' when they fall due, which are derived based on the Group's historical information. A significant increase in credit risk is presumed if a debtor is more than 30 days' past due in making contractual payment.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days' past due. Financial assets are written-off when there is no reasonable expectation of recovery, such as a debtor failing to engagement in a repayment plan with the Group. Where loans and receivables have been written off, the Company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

#### (i) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to years past due. The loss allowance as at 31 December 2023 and 31 December 2022 are determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### (i) Trade receivables (Continued)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

<b>31 December 2023</b>	<b>Gross carrying amount \$</b>	<b>Loss allowance provision \$</b>
Trade receivables		
Current	<b>2,696</b>	-
1 to 30 days	<b>324</b>	-
Total	<b>3,020</b>	-
	<b>Gross carrying amount \$</b>	<b>Loss allowance provision \$</b>
<b>31 December 2022</b>		
Trade receivables		
Current	1,844	-
1 to 30 days	37	-
Total	1,881	-

Based on the expected credit losses assessment, there is no trade receivables that are impaired at the end of the reporting period.

#### (ii) Other receivables

For other receivables, the Group assessed that the expected credit loss is immaterial as these amounts are considered to be a low credit risk. Credit risk for these assets have not increase significantly since their initial recognition.

#### (iii) Loans due from a subsidiary

	<b>2023 \$</b>	<b>2022 \$</b>
Loans due from a subsidiary		
Gross carrying amount	<b>5,336,207</b>	5,060,756
Expected credit loss allowance	<b>(517,000)</b>	(102,000)
Net carrying amount	<b>4,819,207</b>	4,958,756

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) Credit risk (Continued)

#### (iii) Loans due from a subsidiary (Continued)

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using the three-stage expected credit loss ("ECL") model. Following the review, an ECL additional allowance of \$415,000 (31 December 2022: \$102,000) is recognised in 2023.

#### *Exposure to credit risk*

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheets.

The Group has no significant concentrations of credit risk.

The Group's major class of financial assets is cash and cash equivalents.

Cash and cash equivalents are mainly deposits placed with reputable banks with high credit-ratings and subject to immaterial loss.

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing bank deposits.

#### *Sensitivity analysis for interest rate risk*

The following table demonstrates the sensitivity of interest rates by 50 (2022: 50) basis points lower/higher with all other variables held constant on the Group's profit before tax as a result of change in interest rates on floating rate bank balances.

	<b>Increase/(decrease)</b>	
	<b>Profit before tax</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Increase by 50 basis points (2022: 50 basis points)	<b>44,094</b>	43,948
Decrease by 50 basis points (2022: 50 basis points)	<b>(44,094)</b>	(43,948)

### (c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and Company's objective is to maintain a balance between continuity of funding through the use of working capital.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) *Liquidity risk (Continued)*

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayments obligations.

	Carrying amount \$	2023		
		Contractual cash flows \$	One year or less \$	More than one year \$
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	762,929	762,929	762,929	-
Cash and cash equivalents	9,010,178	9,010,178	9,010,178	-
Total undiscounted financial assets	9,773,107	9,773,107	9,773,107	-
<b>Financial liabilities:</b>				
Trade payables	58,904	58,904	58,904	-
Other payables and accruals (exclude GST payable, net)	491,451	491,451	491,451	-
Lease liabilities (Note 21)	150,463	153,000	133,800	19,200
Total undiscounted financial liabilities	700,818	703,355	684,155	19,200
Total net undiscounted financial assets/(liabilities)	9,072,289	9,069,752	9,088,952	(19,200)
<b>Company</b>				
<b>Financial assets:</b>				
Trade and other receivables	5,980,883	8,989,735	1,161,676	7,828,059
Cash and cash equivalents	8,842,168	8,842,168	8,842,168	-
Total undiscounted financial assets	14,823,051	17,831,903	10,003,844	7,828,059
<b>Financial liabilities:</b>				
Other payables and accruals (exclude GST payable, net)	151,620	151,620	151,620	-
Total undiscounted financial liabilities	151,620	151,620	151,620	-
Total net undiscounted financial assets	14,671,431	17,680,283	9,852,224	7,828,059



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) *Liquidity risk (Continued)*

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount \$	2022		
		Contractual cash flows \$	One year or less \$	More than one year \$
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	349,085	349,085	349,085	–
Cash and cash equivalents	10,098,960	10,098,960	10,098,960	–
Total undiscounted financial assets	10,448,045	10,448,045	10,448,045	–
<b>Financial liabilities:</b>				
Trade payables	62,959	62,959	62,959	–
Other payables and accruals (exclude GST payable, net)	418,129	418,129	418,129	–
Lease liabilities (Note 21)	305,370	315,900	194,400	121,500
Total undiscounted financial liabilities	786,458	796,988	675,488	121,500
Total net undiscounted financial assets/(liabilities)	9,661,587	9,651,057	9,772,557	(121,500)
<b>Company</b>				
<b>Financial assets:</b>				
Trade and other receivables	5,270,276	8,139,579	311,520	7,828,059
Cash and cash equivalents	9,999,172	9,999,172	9,999,172	–
Total undiscounted financial assets	15,269,448	18,138,751	10,310,692	7,828,059
<b>Financial liabilities:</b>				
Other payables and accruals (exclude GST payable, net)	160,430	160,430	160,430	–
Total undiscounted financial liabilities	160,430	160,430	160,430	–
Total net undiscounted financial assets	15,109,018	17,978,321	10,150,262	7,828,059

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables (Note 15), cash and cash equivalents (Note 16), trade payables (Note 17), and other payables and accruals (Note 18) approximately their fair value due to the relatively short-term maturity of these financial instruments..

The carrying amount of lease liabilities (Note 21) are reasonable approximation of their fair value estimated by discounting expected future cash flows at market incremental borrowing rate for similar types of borrowing arrangements at the balance sheet date.

The carrying amount of loans due from a subsidiary are reasonable approximation of their fair value estimated by the present values of future cash flows, discounted at market interest rate for similar type of loan.

## 24. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2023.

## 25. AUTHORISATION OF FINANCIAL STATEMENTS

The audited financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of directors on 28 March 2024.

# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2024

## SHARE CAPITAL

Issued and Fully Paid-up Capital	:	S\$21,650,919
Number of Issued Shares	:	146,145,696
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share (excluding treasury shares and subsidiary holdings)
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Tan Gee Beng Private Limited	57,539,331	39.37	–	–
Tan Tong Guan <sup>(1)</sup>	1,726,501	1.18	57,539,331	39.37
Tan Geok Moey <sup>(1)</sup>	–	–	57,539,331	39.37
Tan Yoke Hong <sup>(1)</sup>	–	–	57,539,331	39.37
Tan Ah Chew <sup>(2)</sup>	8,845,000	6.05	290,000	0.20
Lin Chung Chieh Eugene (Lin Zhongjie Eugene) <sup>(3)</sup>	7,514,847	5.14	7,514,847	5.14
Poh E-lynn Elaine (Fu Yilin Elaine) <sup>(3)</sup>	7,514,847	5.14	7,514,847	5.14

### Notes:-

- (1) Each of Mr Tan Tong Guan, Ms Tan Geok Moey and Ms Tan Yoke Hong is deemed to have an interest in the 57,539,331 shares held by Tan Gee Beng Private Limited by virtue of Section 7 of the Companies Act 1967 of Singapore.
- (2) Mr Tan Ah Chew is deemed to have an interest in the 290,000 shares held by his spouse.
- (3) Dr Lin Chung Chieh Eugene (Lin Zhongjie Eugene) is deemed to have an interest in the 7,514,847 shares held by his spouse, Ms Poh E-lynn Elaine (Fu Yilin Elaine) and vice versa. 3,906,000 shares of each of Dr Lin Chung Chieh Eugene (Lin Zhongjie Eugene) and Ms Poh E-lynn Elaine (Fu Yilin Elaine) are held through DBS Nominees (Private) Limited.

## SHAREHOLDINGS IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 21 March 2024 and to the best knowledge of the Directors of the Company, approximately 42.91% of the issued ordinary shares of the Company are held in the hands of the public, as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**Catalist Rules**”). Accordingly, the Company is in compliance with Rule 723 of the Catalist Rules, which requires at least 10% of the equity securities to be in the hands of the public.

# STATISTICS OF SHAREHOLDINGS

AS AT 21 MARCH 2024

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.27	82	0.00
100 – 1,000	126	34.24	117,200	0.08
1,001 – 10,000	98	26.63	618,545	0.42
10,001 – 1,000,000	129	35.06	15,758,471	10.78
1,000,001 AND ABOVE	14	3.80	129,651,398	88.72
<b>TOTAL</b>	<b>368</b>	<b>100.00</b>	<b>146,145,696</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TAN GEE BENG PRIVATE LTD	7,539,331	39.37
2	UOB KAY HIAN PRIVATE LIMITED	15,562,637	10.65
3	DBS NOMINEES (PRIVATE) LIMITED	12,281,534	8.40
4	TAN AH CHEW	8,845,000	6.05
5	DB NOMINEES (SINGAPORE) PTE LTD	8,095,900	5.54
6	GOLDHILL PARTNERS PTE LTD	6,390,000	4.37
7	NG ENG SENG	4,480,001	3.07
8	POH E-LYNN ELAINE (FU YILIN ELAINE)	3,608,847	2.47
9	LIN CHUNG CHIEH EUGENE (LIN ZHONGJIE EUGENE)	3,608,847	2.47
10	TAN BOON KIAT VINCENT (CHEN WENJIE VINCENT)	2,511,800	1.72
11	TOO BEE FERN	2,166,200	1.48
12	TAN WAN LING (CHEN WANREN)	1,750,000	1.20
13	TAN TONG GUAN	1,726,501	1.18
14	LYE IR-WIN BRUCE	1,084,800	0.74
15	OCBC SECURITIES PRIVATE LIMITED	864,700	0.59
16	LOW EE HWEE	750,000	0.51
17	LI HUNG	750,000	0.51
18	TAN CHIEW KUI	650,000	0.44
19	JAMES ALVIN LOW YIEW HOCK	518,000	0.35
20	TAN KOON HUA (CHEN KUNHUA)	490,000	0.34
<b>TOTAL</b>		<b>133,674,098</b>	<b>91.45</b>



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of ASIA VETS HOLDINGS LTD. (the “**Company**”) will be held at Metropolitan YMCA, 60 Stevens Road, Singapore 257854 on Thursday, 25 April 2024 at 3:00 p.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Independent Auditor’s Report thereon.  
**(Resolution 1)**
2. To re-elect Mr Tan Tong Guan, a Director of the Company who is retiring pursuant to Regulation 95 of the Constitution of the Company and who, being eligible, offers himself for re-election, as a Director of the Company.  
**(Resolution 2)**  
*[See Explanatory Note (i)]*
3. To re-elect Mr Kim Seah Teck Kim, a Director of the Company who is retiring pursuant to Regulation 95 of the Constitution of the Company and who, being eligible, offers himself for re-election, as a Director of the Company.  
**(Resolution 3)**  
*[See Explanatory Note (ii)]*
4. To approve the payment of Directors’ fees of \$135,000 for the financial year ended 31 December 2023 (2022: \$145,911).  
**(Resolution 4)**
5. To re-appoint Messrs Ernst & Young LLP, Public Accountants and Chartered Accountants, as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.  
**(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without any modifications, the following resolution as an Ordinary Resolution:

### 7. Authority to issue shares

That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares,

and provided that adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and are outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting by ordinary resolution, such authority shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

**(Resolution 6)**

*[See Explanatory Note (iii)]*

By Order of the Board

Siau Kuei Lian  
Company Secretary  
Singapore, 9 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Mr Tan Tong Guan will, upon re-election as a Director of the Company, remain as the Executive Chairman and Chief Executive Officer of the Company. Please refer to pages 72 to 77 of the Report on Corporate Governance in the Annual Report 2023 for the detailed information of Mr Tan Tong Guan as required pursuant to Rule 720(5) of the Catalist Rules. Key information of Mr Tan Tong Guan can also be found under the sections entitled "Directors Profile" and "Directors' Statement" of the Annual Report 2023.
- (ii) Mr Kim Seah Teck Kim will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the Nominating Committee and the Remuneration Committee as well as a member of the Audit Committee of the Company. Mr Kim Seah Teck Kim is considered independent by the Board of Directors of the Company pursuant to Rule 704(7) of the Catalist Rules. There are no relationships (including immediate family relationships) between Mr Kim Seah Teck Kim and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence. Please refer to pages 72 to 77 of the Report on Corporate Governance in the Annual Report 2023 for the detailed information of Mr Kim Seah Teck Kim as required pursuant to Rule 720(5) of the Catalist Rules. Key information of Mr Kim Seah Teck Kim can also be found under the section entitled "Directors Profile" of the Annual Report 2023.
- (iii) Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro-rata* basis to shareholders of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, or exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

## Notes:

1. The AGM of the Company will be held, in a wholly physical format at Metropolitan YMCA, 60 Stevens Road, Singapore 257854, on Thursday, 25 April 2024 at 3:00 p.m.. **There will be no option for members to participate virtually.**
2. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, prior to the AGM, all questions must be submitted by no later than 9:00 a.m. on 17 April 2024 through any of the following means:
  - (a) by email to [general@asiavets.com](mailto:general@asiavets.com); or
  - (b) by post and lodging the same at the office of the Company at 21 Bukit Batok Crescent, #29-71 Wcega Tower, Singapore 658065.

and provide the following particulars, for verification purpose:

- full name as it appears on his/her/its CDP and/or SRS share records;
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which you hold in the Company (e.g. via CDP and/or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, member may also ask question during the AGM.

3. The Company will endeavour to address all substantial and relevant questions received from shareholders by 20 April 2024, 3:00 p.m., being not less than forth-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGX-ST's website and the Company's corporate website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at the URL <http://asiavets.com/investor-relations/>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.
4. A member of the Company (other than a Relevant Intermediary\*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or the Chairman of the AGM to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.

# NOTICE OF ANNUAL GENERAL MEETING

5. Where a member of the Company (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
6. A member who is a Relevant Intermediary\* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, falling which the instrument may be treated as invalid.
  8. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:
    - (a) by email to [general@asiavets.com](mailto:general@asiavets.com); or
    - (b) by depositing a hard copy by post at the office of the Company at 21 Bukit Batok Crescent, #29-71 Wcega Tower, Singapore 658065.

in either case, by no later than 3:00 p.m. on 22 April 2024 (being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the proxy form for the AGM shall not be treated as valid.

9. An investor who holds shares under the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his/her vote(s) at the AGM. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on 15 April 2024).
10. The Company's Annual Report 2023 has been published and may be accessed at the Company's corporate website at the URL <http://asiavets.com/investor-relations/> and is also made available the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.
11. If you wish to receive a printed copy of the Annual Report 2023, please complete and return the request form by email to [general@asiavets.com](mailto:general@asiavets.com) or mail the completed form to 21 Bukit Batok Crescent, #29-71 Wcega Tower, Singapore 658065 by no later than 16 April 2024.
12. This notice 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 Catalist Rules.

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

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.

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



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**ASIA VETS HOLDINGS LTD.**  
(Company Registration No. 201003501R)  
(Incorporated in the Republic of Singapore)

**IMPORTANT:**

1. The Annual General Meeting of the Company to be held on Thursday, 25 April 2024, 3:00 p.m. is being convened, and will be held at Metropolitan YMCA, 60 Stevens Road, Singapore 257854 (the "AGM"). There will be no option for members to participate virtually.
2. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his/her vote(s) at the AGM in person. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on 15 April 2024).
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

**PROXY FORM**  
**FOR ANNUAL GENERAL MEETING**  
(Please see notes overleaf before completing this Form)

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Company Registration No.)  
Of \_\_\_\_\_ (address)  
being a \*member/members of Asia Vets Holdings Ltd. (the "Company"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\* and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the AGM as \*my/our \*proxy/proxies to attend, speak and vote for \*me/us on \*my/our behalf at the AGM to be held at Metropolitan YMCA, 60 Stevens Road, Singapore 257854 on Thursday, 25 April 2024, 3:00 p.m. and at any adjournment thereof.

\*I/We direct the \*my/our \*proxy/proxies, to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

All Resolutions put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions relating to:	No. of votes 'For'***	No. of votes 'Against'***	No. of votes 'Abstain'***
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023, together with the Independent Auditor's Report thereon			
2	Re-election of Mr Tan Tong Guan as a Director of the Company			
3	Re-election of Mr Kim Seah Teck Kim as a Director of the Company			
4	Approval of the payment of Directors' fees amounting to \$135,000 for the financial year ended 31 December 2023			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company and authority to the Directors of the Company to fix their remuneration			
6	Authority to issue shares in the capital of the Company			

\* Delete as appropriate

\*\* If you wish your proxy/proxies to exercise all your votes 'For' or 'Against' or 'Abstain' from voting a resolution, please tick (✓) within the box provided in respect of that resolution. Alternatively, please indicate the number of votes as appropriate in the relevant box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



\_\_\_\_\_  
Signature of Member(s)  
and/or Common Seal of Corporate Member

**Notes:**

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or the Chairman of the AGM to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.
3. Where a member of the Company (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
4. A member who is a Relevant Intermediary\* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified).

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
  6. The completed proxy form, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted to the Company in the following manner:
    - (a) by email to [general@asiavets.com](mailto:general@asiavets.com);
    - (b) by depositing a hard copy by post at the office of the Company at 21 Bukit Batok Crescent, #29-71 Wcega Tower, Singapore 658065.in either case, by no later than 3:00 p.m. on 22 April 2024 (being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the proxy form for the AGM shall not be treated as valid.
  7. A SRS Investor may attend and cast his/her vote(s) at the AGM. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach his/her respective SRS Operators to submit his/her votes at least seven (7) working days before the AGM (i.e. by 5:00 p.m. on 15 April 2024).

**General:**

The Company shall be entitled to reject the instrument appointing proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing proxy(ies). In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing proxy(ies) lodged if the member of the Company, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Tan Tong Guan	Executive Chairman and CEO
Tan Geok Moey	Non-Executive Director
Henry Tan Song Kok	Lead Independent Director
Kim Seah Teck Kim	Independent Director

## AUDIT COMMITTEE

Henry Tan Song Kok	Chairman
Tan Geok Moey	Member
Kim Seah Teck Kim	Member

## NOMINATING COMMITTEE

Kim Seah Teck Kim	Chairman
Tan Geok Moey	Member
Henry Tan Song Kok	Member

## REMUNERATION COMMITTEE

Kim Seah Teck Kim	Chairman
Tan Geok Moey	Member
Henry Tan Song Kok	Member

## COMPANY SECRETARY

Siau Kuei Lian

## REGISTERED OFFICE

95 Amoy Street  
Singapore 069915  
Tel: (65) 6253 3540  
Email: [general@asiavets.com](mailto:general@asiavets.com)  
[www.asiavets.com](http://www.asiavets.com)

## SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.  
30 Cecil Street  
#19-08 Prudential Tower  
Singapore 049712

## SPONSOR

ZICO Capital Pte. Ltd.  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

## AUDITORS

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

Partner-in-charge: Teo Li Ling  
(a member of the Institute of Singapore  
Chartered Accountants)  
(date of appointment: since financial year ended  
31 December 2021)

## PRINCIPAL BANKERS

CIMB Bank Berhad  
United Overseas Bank Limited



ASIA VETS HOLDINGS LTD.

(Company Registration No. 201003501R)

95 Amoy Street, Singapore 069915

T: +65 6253 3540

Email: [general@asiavets.com](mailto:general@asiavets.com)

[www.asiavets.com](http://www.asiavets.com)