



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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

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

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Group <sup>(1)</sup>	Company <sup>(1)</sup>	
	FY2018	FY2017	Increase / (decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Audited)	
Revenue	1,459	-	N.M.
Cost of sales	(859)	-	N.M.
<b>Gross profit</b>	<b>600</b>	<b>-</b>	<b>N.M.</b>
Other operating income	146	124	18
Administrative expenses	(1,106)	(665)	66
Other expenses	(1,926)	(380)	407
Finance costs	(28)	-	N.M.
<b>Loss before tax</b>	<b>(2,314)</b>	<b>(921)</b>	<b>152</b>
Income tax expense	(21)	(3)	600
<b>Loss for the year, net of tax</b>	<b>(2,335)</b>	<b>(924)</b>	<b>153</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>-</b>	<b>-</b>	<b>N.M.</b>
<b>Total comprehensive income attributable to owners of the Company</b>	<b>(2,335)</b>	<b>(924)</b>	<b>153</b>
<b>Loss per share (in S\$ cents)</b>			
Basic and diluted	(1.78)	(0.73)	

*N.M. denotes Not Meaningful*

**Note:**

- (1) For the financial year ended 31 December 2017 (“FY2017”), the Company was deemed a cash company under Rule 1017 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) upon the completion of the disposal of its subsidiaries on 20 July 2016. Therefore, there was no revenue and cost of sales in FY2017. On 13 August 2018, the Company completed the acquisition of the entire issued share capital of AVH Animal Ark Pte. Ltd. (“AVHAA”) (“Acquisition”). Following the Acquisition, the Group generated revenue through AVHAA’s veterinary business for a period of approximately 4.5 months from 13 August 2018 to 31 December 2018 for the financial year ended 31 December 2018 (“FY2018”).

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

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

	Group	Company	Increase / (decrease)	Note
	FY2018	FY2017		
	S\$'000	S\$'000		
	(Unaudited)	(Audited)	%	
Interest income	143	123	16	(a)
Foreign exchange gain/(loss)	-*	(1)	(100)	
Professional fee	(107)	(94)	14	(b)
Depreciation of plant and equipment	(53)	-	N.M.	(c)
Key management and Employee benefits expense	(992)	(355)	179	(d)
Rental expense	(103)	-	N.M.	(e)
Acquisition-related transaction cost	(1,926)	(380)	407	(f)
Interest expense	(28)	-	N.M.	(g)

*N.M. denotes Not Meaningful*

**Notes:**

- \* Less than S\$500.
- (a) Interest income arises mainly from deposits in an escrow account and other short-term deposits. Upon completion of the Acquisition, funds in the escrow account was released to the Company's current account and fixed deposit account. The increase in interest income was mainly attributable to higher interest rate for short-term deposits as compared to deposits in the escrow account.
- (b) Increase in professional fee was mainly due to additional audit fee and tax agent fee relating to AVHAA.
- (c) Depreciation of plant and equipment relates to plant and equipment in AVHAA. There was no depreciation of plant and equipment in FY2017 as the Group had no business operations.
- (d) Increase in key management and employee benefits expense was mainly due to the increased headcount as a result of acquisition of AVHAA.
- (e) Rental expense relates to rental incurred for office and three clinics. There was no rental expense in 2017 as the Group had no business operations.
- (f) Acquisition-related transaction cost mainly comprises, in connection with the Acquisition, cash settled payment for professional fees, Arranger Shares, Financial Adviser Shares (see 1(d)(i) note (1)), Bonus Issue Warrants (see 1(d)(i) note (2)) and other related expenses. According to the FRS103, acquisition-related transaction costs shall be expensed in the periods in which the costs are incurred and the services are rendered.
- (g) Interest expense relates to accretion of interest expenses in relation to deferred consideration payable for the Acquisition. The cash portion of the deferred consideration payable of S\$1.4 million is discounted at a rate of 5.33% per annum to the present value as at 31 December 2018.

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

**STATEMENT OF FINANCIAL POSITION**

	Group <sup>(1)</sup>		Company <sup>(1)</sup>	
	31/12/2018	As at		31/12/2017
		31/12/2018	31/12/2018	
	S\$'000	S\$'000	S\$'000	S\$'000
	(Unaudited)	(Unaudited)	(Audited)	
<b>Non-current assets</b>				
Investment in subsidiary	-	1,926	-	-
Plant and equipment	436	-	-	-
Goodwill	8,405	-	-	-
Amount due from subsidiary	-	5,681	-	-
	8,841	7,607	-	-
<b>Current assets</b>				
Cash and bank deposits	11,948	11,481	748	
Restricted deposits	-	-	17,291	
Trade and other receivables	86	18	301	
Prepayments	53	9	3	
Inventories	104	-	-	
	12,191	11,508	18,343	
<b>Total assets</b>	<b>21,032</b>	<b>19,115</b>	<b>18,343</b>	
<b>Current liabilities</b>				
Trade payables	106	-	-	
Other payables and accruals	436	157	452	
	542	157	452	
<b>Net current assets</b>	<b>11,649</b>	<b>11,351</b>	<b>17,891</b>	
<b>Non-current liabilities</b>				
Other payables	1,879	-	-	
Deferred tax liabilities	21	-	-	
	1,900	-	-	
<b>Total liabilities</b>	<b>2,442</b>	<b>157</b>	<b>452</b>	
<b>Net assets</b>	<b>18,590</b>	<b>18,958</b>	<b>17,891</b>	
Share capital	20,777	20,777	17,971	
Capital reserve	228	228	-	
Revenue reserve	(2,415)	(2,047)	(80)	
<b>Total equity</b>	<b>18,590</b>	<b>18,958</b>	<b>17,891</b>	
<b>Total equity and liabilities</b>	<b>21,032</b>	<b>19,115</b>	<b>18,343</b>	

**Note:**

(1) Upon the disposal of all of its subsidiaries on 20 July 2016, the Company became a cash company with no business operations. As such, only the Company's financial position as at 31 December 2017 was presented and there were no trade-related assets and liabilities, such as trade receivables, inventories or trade payables as at 31 December 2017.

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

The Company does not hold any borrowings and debt securities as at 31 December 2017 and 31 December 2018.

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

**STATEMENT OF CASH FLOWS**

	<b>Group</b>	<b>Company</b>
	<b>FY2018</b>	<b>FY2017</b>
	S\$'000	S\$'000
	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	(2,314)	(921)
Adjustments for:		
Interest income	(143)	(123)
Interest expense	28	-
Equity-settled share-based payments	1,030	-
Unrealised exchange (gain)/loss	-*	1
Depreciation of plant and equipment	53	-
<b>Operating cash flows before working capital changes</b>	(1,346)	(1,043)
Decrease in trade and other receivables	233	-
Increase in inventories	(14)	-
(Increase)/Decrease in prepayments	(50)	1
Increase in trade and other payables	90	276
<b>Cash used in operations</b>	(1,087)	(766)
Interest received	125	124
Income tax paid	-	(3)
<b>Net cash flows used in operating activities</b>	<b>(962)</b>	<b>(645)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(16)	-
Proceeds from consideration receivable from disposal of subsidiaries	-	1,655
Release/(Placement) of restricted deposits	17,291	(1,720)
Acquisition of business assets (net of cash acquired) <sup>(1)</sup>	(5,108)	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>12,167</b>	<b>(65)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonus issue warrants	1	-
Share issuance expense	(4)	-
Bonus issue warrants issuance expense	(2)	-
Dividends paid	-	(1,264)
<b>Net cash flows used in financing activities</b>	<b>(5)</b>	<b>(1,264)</b>
Net increase/(decrease) in cash and cash equivalents	11,200	(1,974)
Cash and cash equivalents at beginning of the year	748	2,723
Effect of exchange rate changes on cash and cash equivalents	-	(1)
<b>Cash and cash equivalents at end of the year</b>	<b>11,948</b>	<b>748</b>

**Note:**

\* Less than (S\$500).

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

Note:

(1) Net cash outflow on acquisition of business is as shown below:

	<u>Group</u> <u>FY2018</u> S\$000 (Unaudited)
<u>Consideration transferred for the acquisition of business</u>	
Consideration transferred on acquisition date	7,217
Deferred consideration payable in 2021	<u>1,851</u>
Total fair value of purchase consideration	<u><u>9,068</u></u>
<u>Effect of the acquisition on cash flows</u>	
Total fair value of purchase consideration	9,068
Less: Non-cash consideration	(2,009)
Less: Deferred consideration payable in 2021	(1,851)
Less: Cash and cash equivalents of subsidiary acquired	<u>(100)</u>
Net cash outflow on acquisition	<u><u>5,108</u></u>

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

Group	Share Capital	Revenue Reserves	Capital Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance at 1 January 2018	17,971	(80)	-	17,891
Loss for the year, representing total comprehensive income for the year	-	(2,335)	-	(2,335)
Total comprehensive income for the year	-	(2,335)	-	(2,335)
<u>Contributions by and distributions to owners</u>				
Issuance of new ordinary shares <sup>(1)</sup>	2,810	-	-	2,810
Share issuance expenses <sup>(1)</sup>	(4)	-	-	(4)
Issuance of bonus issue warrants <sup>(2)</sup>	-	-	229	229
Bonus issue warrant subscription fee <sup>(2)</sup>	-	-	1	1
Bonus issue warrant issuance expenses <sup>(2)</sup>	-	-	(2)	(2)
Total transactions with owners in their capacity as owners	2,806	-	228	3,034
Closing balance at 31 December 2018	20,777	(2,415)	228	18,590

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

<b>Company</b>	<b>Share Capital</b>	<b>Revenue Reserves</b>	<b>Capital Reserves</b>	<b>Foreign currency translation reserve</b>	<b>Total Equity</b>
	S\$'000	S\$'000	S\$'000	S\$	S\$'000
Opening balance at 1 January 2018	17,971	(80)	-	-	17,891
Loss for the year, representing total comprehensive income for the year	-	(1,967)	-	-	(1,967)
Total comprehensive income for the year	-	(1,967)	-	-	(1,967)
<u>Contributions by and distributions to owners</u>					
Issuance of new ordinary shares <sup>(1)</sup>	2,810	-	-	-	2,810
Share issuance expenses <sup>(1)</sup>	(4)	-	-	-	(4)
Issuance of bonus issue warrants <sup>(2)</sup>	-	-	229	-	229
Bonus issue warrant subscription fee <sup>(2)</sup>	-	-	1	-	1
Bonus issue warrant issuance expenses <sup>(2)</sup>	-	-	(2)	-	(2)
Total transactions with owners in their capacity as owners	2,806	-	228	-	3,034
Closing balance at 31 December 2018	20,777	(2,047)	228	-	18,958
Opening balance at 1 January 2017 (Restated)	17,971	2,545	-	(437)	20,079
Effect of change in functional currency	-	(437)	-	437	-
	17,971	2,108	-	-	20,079
Loss for the year, representing total comprehensive income for the year	-	(924)	-	-	(924)
Total comprehensive income for the year	-	(924)	-	-	(924)
<u>Contributions by and distributions to owners</u>					
Dividends on ordinary shares <sup>(3)</sup>	-	(1,264)	-	-	(1,264)
Total transactions with owners in their capacity as owners	-	(1,264)	-	-	(1,264)
Closing balance at 31 December 2017	17,971	(80)	-	-	17,891



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

**Notes:**

(1) On completion of the Acquisition on 13 August 2018, the Company issued the following: (i) a total of 8,928,000 new ordinary shares of the Company ("**Shares**") at the issue price of S\$0.250 per Share ("**Actual Issue Price**") to the vendors of AVHAA ("**Consideration Shares**"); (ii) a total of 2,960,000 Shares at the Actual Issue Price to Tiger Equities Pte. Ltd. ("**Tiger Equities**") and its nominees as well and the financial adviser pursuant to the Finders' Fee and Consultancy Agreement relating to the Acquisition ("**Arranger Shares**"); and (iii) a total of 600,000 Shares at the Actual Issue Price to the financial adviser being consideration for the services provided relating to the Acquisition ("**Financial Adviser Shares**"). The Consideration Shares, the Arranger Shares and the Financial Adviser Shares are collectively known as the "**New Shares**".

In accordance with FRS 113, for purpose of financial reporting, the New Shares were fair valued at the last transacted market price of the Shares of S\$0.225 per Share.

(2) A total of 5,300,000 new bonus issue warrants of the Company at an issue price of S\$0.0001 per bonus issue warrant were issued to Tiger Equities and its nominees upon completion of the Acquisition ("**Bonus Issue Warrants**"). Each Bonus Issue Warrant carries the right to subscribe for one new share of the Company at an exercise price of S\$0.25 and will expire on 30 June 2020. The value ascribed to the Bonus Issue Warrants is credited as a reserve in equity under capital reserve and an appropriate amount will be transferred to the share capital account as and when the Bonus Issue Warrants are exercised.

(3) Final tax-exempt (one-tier) dividend of S\$0.01 per ordinary share in respect of the financial year ended 31 December 2016 was paid on 12 May 2017.

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

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

The Company's share capital movement is as shown below:

Description	Number of shares ('000)	Resultant issued share capital (S\$'000)
Balance as at 30 June 2018	126,440	17,971
Issuance of new ordinary shares - Consideration Shares	8,928	2,005#
Issuance of new ordinary shares - Arranger Shares	2,960	666
Issuance of new ordinary shares - Financial Adviser Shares	600	135
Balance as at 31 December 2018	138,928	20,777

# Net of share issuance expense of S\$4,000.

On 13 August 2018, a total of 5,300,000 Bonus Issue Warrants were issued to Tiger Equities and its nominees upon completion of the Acquisition. Each Bonus Issue Warrant carries the right to subscribe for one new share of the Company at an exercise price of S\$0.25 and will expire on 30 June 2020. As at 31 December 2018, no Bonus Issue Warrant was exercised.

Save for the above regarding the Bonus Issue Warrants, the Company has no shares that may be issued on conversion of outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

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

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

	<b>As at 31/12/2018</b>	<b>As at 31/12/2017</b>
Total number of issued shares	138,928,002	126,440,002
Treasury shares	Nil	Nil

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

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

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

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

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

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

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

Not applicable.

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

Except as disclosed under item 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the unaudited financial statements for FY2018 as in the Group's most recent audited financial statements for FY2017, except for the adoption of new and revised Financial Reporting Standards (FRSs) which are effective for its financial year beginning 1 January 2018.

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

The Group and the Company have adopted the new and revised FRSs which are effective for its financial year beginning 1 January 2018. The adoption of the new and revised FRSs did not result in any material impact on the Group's and the Company's financial statements.

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

**Loss per Share**

	<b>Group</b>	<b>Company</b>
	<b>FY2018</b>	<b>FY2017</b>
	(Unaudited)	(Audited)
Loss attributable to owners of the Company (S\$'000)	(2,335)	(924)
Basic loss per share attributable to owners of the Company (S\$ cents)	(1.78)	(0.73)
Fully diluted loss per share (S\$ cents)	(1.78)	(0.73)
Weighted average number of shares used in computation of basic and diluted loss per share	131,264,134	126,440,002

Basic loss per share for FY2018 and FY2017 is computed by dividing the loss attributable to the owners of the Company in each financial year by the weighted average number of ordinary shares outstanding as at the end of the respective financial years.

Fully diluted loss per share for FY2018 and FY2017 are the same as the basic loss per share as the Company did not have any dilutive potential ordinary shares during the respective financial years.

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

**Net Asset Value (“NAV”)**

	<b>Group</b>	<b>Company</b>
	<b>As at</b>	
	<b>31/12/2018</b>	<b>31/12/2017</b>
	(Unaudited)	(Audited)
NAV per ordinary share (S\$ cents)	13.38	14.15
Number of shares used in computation of NAV per share	138,928,002	126,440,002

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

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

#### **Statement of Comprehensive Income**

There was no revenue and cost of sales for FY2017 as the Company had no business operations in FY2017. On 13 August 2018, the Company acquired the entire issued share capital of AVHAA, which is in the business of providing veterinary services in Singapore. Therefore revenue, cost of sales, and the subsidiary-related other operating expenses for FY2018 will only consist of approximately 4.5 months from 13 August 2018 to 31 December 2018.

#### **Revenue, Cost of sales and Gross profit**

The Group's revenue for FY2018 was approximately S\$1.5 million, which predominantly derives from rendering of veterinary services and sales of veterinary medicine.

The Group's cost of sales for FY2018 was approximately S\$0.9 million, which includes purchase of veterinary medicine and consumables and employee benefits paid to veterinarians, vet technicians and vet nurses.

Gross profit for FY2018 was approximately S\$0.6 million and gross profit margin was 41.1%.

#### **Other operating income**

Other operating income comprises mainly interest income earned from the Company's escrow account, short-term deposits and government grant received under the Temporary Employment Credit ("TEC") scheme. It increased from S\$124,000 for FY2017 to S\$146,000 for FY2018. The increase was mainly due to increased interest income from short-term deposits. Please refer to 1(a)(ii)(a) for details.

#### **Administrative expenses**

Administrative expenses mainly relate to general office expenses, administrative staff costs, professional fee, listing expenses and depreciation. It increased from S\$0.7 million for FY2017 to S\$1.1 million for FY2018. The increase was mainly due to additional operating expenses relating to AVHAA. Please refer to 1(a)(ii)(b) – (e) for details.

#### **Other expenses**

Other expenses relate to acquisition-related transaction cost. It increased from S\$0.4 million for FY2017 to S\$1.9 million for FY2018. Please refer to 1(a)(ii)(f) for details.

#### **Finance costs**

Finance costs for FY2018 relate to interest expenses in relation to deferred consideration payable for the Acquisition. Please refer to 1(a)(ii)(g) for details. There was no finance cost for FY2017.

#### **Income tax expense**

Income tax expenses for FY2018 comprise of deferred taxation in relation to a taxable temporary difference on plant and equipment which are subject to capital allowance. There was no current tax liability for FY2018. There was no income tax expense for FY2017.

#### **Net Loss**

As a result of the above, the Company recorded a loss after tax of S\$2.3 million for FY2018 as compared to S\$0.9 million for FY2017.

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

**Statement of Financial Position**

Upon the disposal of all of its subsidiaries on 20 July 2016, the Company became a cash company with no business operations. As such, there were no trade-related assets and liabilities, such as trade receivables, inventories or trade payables as at 31 December 2017.

**Non-current Assets**

Plant and equipment, amounting to S\$436,000 as at 31 December 2018, mainly comprise of veterinary and medical equipment, office equipment, computer and software and furniture and fixtures. There was no plant and equipment as at 31 December 2017.

Goodwill pertains to the Acquisition of AVHAA. The goodwill amount has been computed based on the assets of AVHAA as at 13 August 2018, the acquisition date, as follows:

	<b>Group</b> S\$'000
<u>Fair values of identifiable assets and liabilities</u>	
Plant and equipment	473
Cash and cash equivalents	100
Inventories	90
Total identifiable net assets at fair value	<u>663</u>
<b>Goodwill arising from acquisition</b>	<b>8,405</b>
Total fair value of purchase consideration	<u><u>9,068</u></u>

**Current Assets**

Restricted deposits represent cash held in an escrow account. Upon completion of the Acquisition, the full amount had been released to the Company's SGD current account in accordance with the listing rules of the SGX-ST.

Trade and other receivables increased from S\$18,000 as at 31 December 2017 to S\$86,000 as at 31 December 2018. Trade receivables amounted to S\$11,000 as at 31 December 2018 and were due within 30 days. There were no trade receivables as at 31 December 2017. Other receivables increased from S\$18,000 as at 31 December 2017 to S\$75,000 as at 31 December 2018. The increase was mainly due to rental and utility deposits placed in FY2018.

Prepayments increased from S\$9,000 as at 31 December 2017 to S\$53,000 as at 31 December 2018. The increase was mainly related to prepaid operating expenses in AVHAA.

Inventories, which mainly comprise of veterinary medicine, clinic consumables and pet food, amounted to S\$104,000 as at 31 December 2018. There were no inventories as at 31 December 2017.

**Current Liabilities**

Trade payables amounted to S\$106,000 as at 31 December 2018 and are normally settled on cash-on-delivery or 30-day terms. There were no trade payables as at 31 December 2017.

Other payables and accruals comprise mainly professional fee, director fee, staff bonus and goods and services tax ("**GST**") which is to be paid in the following financial year. It increased from S\$157,000 as at 31 December 2017 to S\$436,000 as at 31 December 2018. The increase was mainly related to additional audit fee accrual, GST payable and staff bonus which is payable in 2019.

**Non-Current Liabilities**

Non-current other payables, amounting to S\$1.9 million as at 31 December 2018, related to deferred consideration payable to the vendors for the Acquisition. The amount is due in 30 months from 13 August 2018, the acquisition completion date. Information regarding the deferred consideration is disclosed in the Company's circular to shareholders dated 29 June 2018 (the "**Circular**"). There were no non-current other payables and accruals as at 31 December 2017.

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

Deferred tax liabilities, amounting to S\$21,000 as at 31 December 2018, arise from a taxable temporary difference on plant and equipment which are subject to capital allowance. There were no deferred tax liabilities as at 31 December 2017.

The Group reported a positive working capital position of S\$11.7 million as at 31 December 2018.

The Group's total equity increased from S\$17.9 million as at 31 December 2017 to S\$18.6 million as at 31 December 2018.

**Statement of Cash Flows**

Net cash flows used in operating activities increased from S\$645,000 for FY2017 to S\$962,000 for FY2018. The increase was mainly due to increase in operating cash outflows before working capital changes as a result of the net loss incurred for FY2018, partially offset by (i) a decrease in trade and other receivables of S\$233,000; (ii) an increase in trade and other payables of S\$90,000; and (iii) interest received of S\$125,000.

Net cash flows generated from investing activities increased from an outflow of S\$65,000 for FY2017 to an inflow of S\$12.2 million for FY2018. The increase was mainly due to the release of restricted deposits held in an escrow account to the Company's current account upon completion of the Acquisition of S\$17.3 million, partially offset by net cash outflow on acquisition of business assets (i.e. AVHAA) of S\$5.1 million.

Net cash flows used in financing activities decreased from S\$1.3 million for FY2017 to S\$5,000 for FY2018. The decrease was mainly due to the absence of dividend payment of S\$1.3 million with respect of the financial year ended 31 December 2016 in FY2018.

As a result of the above, the Group's cash and cash equivalents increased from S\$748,000 as at 31 December 2017 to S\$11.9 million as at 31 December 2018.

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

The unaudited financial results for FY2018 set out in this announcement are in line with the forecast statement disclosed in section 7.2 entitled "Trend Information for the Enlarged Group" of the Circular, where it was mentioned that for FY2018, barring unforeseen circumstances, the directors of the Company believe that the projected losses for the enlarged group (comprising AVHAA and the Company) for FY2018 will be higher than the losses reported in the audited financial statements of the Company for FY2017, mainly due to transaction costs related to the Acquisition.

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

Despite global economic uncertainty and continuous trade tensions, the veterinary sector continues to be resilient and defensive in nature.

The Company will continue to look out for opportunities to acquire related businesses or veterinary clinics to expand its business scope.

Any material developments on future corporate actions will be announced accordingly.

- 11 **Dividend**
- (a) ***Current financial period reported on***  
Any dividend declared for the current financial period reported on?
- None.
- (b) ***Corresponding period of the immediately preceding financial year***  
Any dividend declared for the corresponding period of the immediately preceding financial year?
- None.
- (c) ***Date payable***
- Not applicable.
- (d) ***Books closure date***
- Not applicable.

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

No dividend has been declared (recommended) for FY2018 as the Group recorded net loss in FY2018 and the board of directors of the Company deems it appropriate to conserve cash for the Group's business activities and growth.

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

The Group has not obtained a general mandate from shareholders for IPTs and there were no IPTs entered into in FY2018.

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

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

## **Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

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

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

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

- 17 **A breakdown of sales as follows:**

Not applicable as the Group's business was acquired in the second half year of FY2018.

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

Not applicable as no dividend was declared or paid by the Company for its latest and previous full financial years.

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

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

**BY ORDER OF THE BOARD**

Tan Tong Guan  
Executive Chairman & CEO  
26 February 2019