



META HEALTH LIMITED

(Incorporated in the Republic of Singapore on 22/12/1988)
(Company Registration Number: 198804700N)

Condensed Interim Consolidated Financial Statements as at and for the Second Half Year ("2H") and Full Year ("FY") Ended 31 December 2023 (Unaudited)

This announcement has been prepared by Meta Health Limited (the "Company") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

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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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	The Group			The Group		
		2H2023 S\$'000	2H2022 S\$'000	Change %	FY2023 S\$'000	FY2022 S\$'000 (Restated)	Change %
Continuing operations							
Revenue	4	165	423	-61%	393	2,033	-81%
Other income		35	67	-48%	129	175	-26%
Raw materials and consumables used		(119)	(339)	-65%	(300)	(1,371)	-78%
Employee benefits expense		(707)	(1,169)	-40%	(1,549)	(3,294)	-53%
Depreciation of property, plant and equipment		(7)	(24)	-71%	(28)	(38)	-26%
Depreciation of right-of-use assets		(15)	(126)	-88%	(47)	(205)	-77%
Impairment of goodwill		(75)	-	N.M.	(75)	-	N.M.
Expected credit loss on trade and other receivables		(161)	(648)	-75%	(62)	(648)	-90%
Other credit/(charges)		669	(353)	N.M.	427	(525)	N.M.
Finance costs		(226)	(217)	4%	(272)	(333)	-18%
Other operating expenses		(688)	(2,921)	-76%	(1,434)	(3,687)	-61%
Loss before taxation from continuing operations	16	(1,129)	(5,307)	-79%	(2,818)	(7,893)	-64%
Taxation	5	-	-	-	-	-	-
Loss from continuing operation for the period/year		(1,129)	(5,307)	-79%	(2,818)	(7,893)	-64%
Loss from discontinued operation for the period/year	16a	(4,775)	(593)	>100%	(5,218)	(918)	>100%
Loss for the period/year		(5,904)	(5,900)	<1%	(8,036)	(8,811)	-9%
Items that may be reclassified subsequently to profit or loss							
Currency translation differences		(133)	(232)	-100%	(401)	(492)	-18%
Currency translation differences reclassified to profit or loss from disposal of subsidiaries		1,147	-	N.M.	1,147	-	N.M.
Items that may not be reclassified subsequently to profit or loss							
Change in fair value of equity investment at fair value to other comprehensive income		(382)	(2,070)	-82%	(382)	(2,070)	-82%
Other comprehensive loss for the period/year, net of tax		632	(2,302)	N.M.	364	(2,562)	N.M.
Total comprehensive loss for the period/year		(5,272)	(8,202)	-36%	(7,672)	(11,373)	-33%
Loss attributable to:							
Owners of the Company							
Continuing operations		(1,196)	(5,260)	-77%	(2,884)	(7,839)	-63%
Discontinued operations		(4,775)	(593)	>100%	(5,218)	(918)	>100%
		(5,971)	(5,853)	2%	(8,102)	(8,757)	-7%
Non-controlling interests							
Continuing operations		67	(47)	N.M.	66	(54)	N.M.
		(5,904)	(5,900)	<1%	(8,036)	(8,811)	-9%

Note	The Group			The Group		
	2H2023 S\$'000	2H2022 S\$'000	Change %	FY2023 S\$'000	FY2022 S\$'000 (Restated)	Change %

Total comprehensive loss attributable to:

Owners of the Company

Continuing operations	(1,580)	(7,630)	-79%	(3,307)	(10,245)	-68%
Discontinued operations	(3,759)	(525)	>100%	(4,431)	(1,074)	>100%
	<u>(5,339)</u>	<u>(8,155)</u>	<u>-35%</u>	<u>(7,738)</u>	<u>(11,319)</u>	<u>-32%</u>

Non-controlling interests

Continuing operations	67	(47)	-100%	66	(54)	-100%
	<u>(5,272)</u>	<u>(8,202)</u>	<u>-36%</u>	<u>(7,672)</u>	<u>(11,373)</u>	<u>-33%</u>

Loss per share attributable to owners of the Company (Singapore cent)

Continuing and discontinued operations

- Basic ⁽¹⁾	(0.83)	(1.05)		(1.26)	(1.58)	
- Diluted ⁽²⁾	<u>(0.83)</u>	<u>(1.05)</u>		<u>(1.26)</u>	<u>(1.58)</u>	

Continuing operations

- Basic ⁽¹⁾	(0.17)	(0.94)		(0.45)	(1.41)	
- Diluted ⁽²⁾	<u>(0.17)</u>	<u>(0.94)</u>		<u>(0.45)</u>	<u>(1.41)</u>	

Discontinued operations

- Basic ⁽¹⁾	(0.66)	(0.11)		(0.81)	(0.17)	
- Diluted ⁽²⁾	<u>(0.66)</u>	<u>(0.11)</u>		<u>(0.81)</u>	<u>(0.17)</u>	

Notes:

- (1) The basic loss per share was calculated based on weighted average number of shares in issue of 720,181,395 in 2H2023 and 642,514,775 in FY2023 (2H2022: 558,769,374 and FY2022: 555,036,385).
- (2) The diluted loss per share was calculated based on weighted average number of shares in issue of 720,181,395 in 2H2023 and 642,514,775 in FY2023 (2H2022: 558,769,374 and FY2022: 555,036,385).
- (3) "2H2023" refers to the six months ended 31 December 2023.
- (4) "2H2022" refers to the six months ended 31 December 2022.
- (5) N.M. denotes not meaningful.

B. Condensed interim statements of financial position

	Note	The Group		The Company		
		As at	As at	As at	As at	As at
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-21
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
				(Restated)	(Restated)	
ASSETS						
Non-Current Assets						
Property, plant and equipment	6	66	2,483	57	67	55
Right-of-use assets		30	4,119	30	5	65
Subsidiaries	7	-	-	2,980	10,261	17,840
Goodwill	8	-	-	-	-	-
Other investment	9	23	405	-	-	-
Deferred tax assets		-	64	-	-	-
		119	7,071	3,067	10,333	17,960
Current Assets						
Inventories		14	3,325	-	-	-
Trade and other receivables	10	1,094	8,123	2,044	3,007	8,631
Prepayments		320	431	62	59	124
Cash and bank balances	11	3,366	3,218	1,215	530	3,670
		4,794	15,097	3,321	3,596	12,425
Assets of disposal group classified as held for sale	12	3,072	-	-	-	-
		7,866	15,097	3,321	3,596	12,425
Total assets		7,985	22,168	6,388	13,929	30,385
EQUITY AND LIABILITIES						
Capital and Reserves						
Share capital	13	31,663	29,175	31,663	29,175	28,632
Reserves		(32,136)	(24,398)	(36,455)	(26,336)	(13,223)
Total equity attributable to owners of the Company		(473)	4,777	(4,792)	2,839	15,409
Non-controlling interests		4	(62)	-	-	-
		(469)	4,715	(4,792)	2,839	15,409
Non-Current Liabilities						
Borrowings	15	1,521	2,164	646	1,730	2,870
Lease liabilities		-	1,369	-	-	58
		1,521	3,533	646	1,730	2,928
Current Liabilities						
Borrowings	15	2,408	3,695	1,986	2,137	939
Lease liabilities		30	1,061	30	63	404
Trade and other payables	14	1,610	8,863	8,518	7,109	10,518
Provisions		-	124	-	-	-
Contract liabilities		-	172	-	51	187
Current tax payables		5	5	-	-	-
		4,053	13,920	10,534	9,360	12,048
Liabilities of disposal group classified as held for sale	12	2,880	-	-	-	-
		6,933	13,920	10,534	9,360	12,048
Total liabilities		8,454	17,453	11,180	11,090	14,976
Total equity and liabilities		7,985	22,168	6,388	13,929	30,385

C. Condensed interim statements of changes in equity

The Group	Share capital S\$'000	Share option reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Other reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to owners of the Company S\$'000	Non- controlling interest S\$'000	Total S\$'000
Balance at 1 January 2023	29,175	1,067	(2,070)	(1,315)	564	(885)	(21,759)	4,777	(62)	4,715
Loss for the year	-	-	-	-	-	-	(8,102)	(8,102)	66	(8,036)
Other comprehensive loss for the year										
- Currency translation differences	-	-	-	(401)	-	-	-	(401)	-	(401)
- Currency translation differences reclassified to profit or loss from disposal of subsidiaries	-	-	-	1,147	-	-	-	1,147	-	1,147
- Fair value through other comprehensive income	-	-	(382)	-	-	-	-	(382)	-	(382)
Total comprehensive loss for the year	-	-	(382)	746	-	-	(8,102)	(7,738)	66	(7,672)
Contributions by and distributions to owners										
- Issuance of shares	2,488	-	-	-	-	-	-	2,488	-	2,488
- Expiry/Forfeiture of share options	-	(960)	-	-	-	-	960	-	-	-
Transactions with owners in their capacity as owners	2,488	(960)	-	-	-	-	960	2,488	-	2,488
Balance at 31 December 2023	31,663	107	(2,452)	(569)	564	(885)	(28,901)	(473)	4	(469)
Balance at 1 January 2022	28,632	520	-	(823)	556	-	(13,082)	15,803	67	15,870
Loss for the year	-	-	-	-	-	-	(8,757)	(8,757)	(54)	(8,811)
Other comprehensive loss for the year										
- Currency translation differences	-	-	-	(492)	-	-	-	(492)	-	(492)
- Fair value through other comprehensive income	-	-	(2,070)	-	-	-	-	(2,070)	-	(2,070)
Total comprehensive loss for the year	-	-	(2,070)	(492)	-	-	(8,757)	(11,319)	(54)	(11,373)
Contributions by and distributions to owners										
- Share-based payment transactions	-	627	-	-	-	-	-	627	-	627
- Issuance of shares	543	-	-	-	-	-	-	543	-	543
- Expiry/Forfeiture of share options	-	(80)	-	-	-	-	80	-	-	-
- Change in interest in a subsidiary	-	-	-	-	-	(885)	-	(885)	(75)	(960)
Transactions with owners in their capacity as owners	543	547	-	-	-	(885)	80	285	(75)	210
Transfer to statutory reserve	-	-	-	-	8	-	-	8	-	8
Balance 31 December 2022	29,175	1,067	(2,070)	(1,315)	564	(885)	(21,759)	4,777	(62)	4,715

The Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 January 2023, as restated	29,175	1,068	(27,404)	2,839
Loss for the year	-	-	(10,119)	(10,119)
Total comprehensive loss for the year	-	-	(10,119)	(10,119)
Contributions by and distributions to owners				
- Issuance of shares	2,488	-	-	2,488
- Expiry/Forfeiture of share options	-	(960)	960	-
Transactions with owners in their capacity as owners	2,488	(960)	960	2,488
Balance at 31 December 2023	31,663	108	(36,563)	(4,792)
Balance at 1 January 2022, as previously reported	28,632	521	(11,643)	17,510
Prior year adjustment (Note 20)	-	-	(2,101)	(2,101)
At 1 January 2022, as restated	28,632	521	(13,744)	15,409
Loss for the year, as previously reported	-	-	(11,668)	(11,668)
Prior year adjustment (Note 20)	-	-	(1,992)	(1,992)
Total comprehensive loss for the year, as restated	-	-	(13,660)	(13,660)
Contributions by and distributions to owners				
- Share-based payment transactions	-	627	-	627
- Issuance of shares	543	-	-	543
- Issuance of shares upon exercise of share options	-	-	-	-
- Expiry/Forfeiture of share options	-	(80)	-	(80)
Transactions with owners in their capacity as owners	543	547	-	1,090
Balance at 31 December 2022, as restated	29,175	1,068	(27,404)	2,839

D. Condensed interim consolidated statement of cash flows

	2023 S\$'000	2022 S\$'000 (Restated)
Cash Flows from Operating Activities		
Loss before taxation from continuing operations	(2,818)	(7,893)
Loss before taxation from discontinued operations	(5,193)	(818)
Adjustments for:		
Depreciation of property, plant and equipment	659	1,218
Depreciation of right-of-use assets	871	1,409
Share-based payment transactions	-	627
Loss/(Gain) on disposal of property, plant and equipment	372	(163)
Loss/(Gain) on disposal of right-of-use assets	59	(3)
Loss on disposal of subsidiaries	1,372	-
Loss on re-measurement of disposal group classified as held for sale	2,517	-
Impairment of goodwill	75	-
Impairment of property, plant equipment	31	120
Expected credit losses on trade and other receivables made	136	760
Interest expense on borrowings	308	314
Interest expense on lease liabilities	84	215
Interest income	-	(34)
Write-down of property, plant equipment made	26	-
Write-down of inventories made/(reversed)	13	(11)
Operating loss before working capital changes	(1,488)	(4,259)
Changes in inventories	517	876
Changes in trade and other receivables	187	3,763
Changes in prepayments	(663)	128
Changes in trade and other payables	(1,578)	(2,659)
Changes in contract liabilities	-	(67)
Net cash used in operations	(3,025)	(2,218)
Income taxes paid	-	(30)
Net cash used in operating activities	(3,025)	(2,248)
Cash Flows from Investing Activities		
Acquisition of unquoted equity investment	-	(200)
Acquisition of a subsidiary, net of cash acquired	(59)	-
Contingent consideration paid	-	(2,622)
Interest received	-	34
Net proceeds from disposal of subsidiaries	4,531	-
Proceeds from disposal of property, plant and equipment	632	1,031
Purchase of property, plant and equipment	(417)	(494)
Net cash generated from/(used in) investing activities	4,687	(2,251)
Cash Flows from Financing Activities		
Changes in bank deposit pledged	-	108
Interest paid	(392)	(529)
Acquisition of non-controlling interest	-	(400)
Proceeds from issuance of shares	2,488	-
Proceeds from borrowings	5,251	9,271
Repayment of borrowings	(6,072)	(8,925)
Repayment of lease liabilities	(767)	(1,829)
Net cash generated from/(used in) financing activities	508	(2,304)
Net increase/(decrease) in cash and cash equivalents	2,170	(6,803)
Cash and cash equivalents at beginning of year	3,218	10,162
Exchange differences on translation of cash and cash equivalents	(224)	(141)
Cash and cash equivalents at end of year (Note 11)	5,164	3,218

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Meta Health Limited (the “**Company**”) is incorporated in Singapore.

These unaudited condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprise the Company and its subsidiaries (the “**Group**”).

The principal activities of Group consist of investment holding, metal stamping and manufacturing of tools and fixtures (“**Metal business**”), as well as healthcare business of telemedicine, nursing services and e-pharmacy (“**Healthcare business**”).

2. Basis of preparation

The unaudited condensed interim consolidated financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting. The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last unaudited condensed interim consolidated financial statements of the Group for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

The unaudited condensed interim consolidated financial statements are presented in Singapore dollar which is the Company’s functional currency.

Going concern assumption

As at 31 December 2023, the Group reported net liabilities of S\$0.5 million. The Group also reported net loss of S\$2.8 million from continuing operations and net cash outflows from operating activities of S\$5.3 million for FY2023.

As at 31 December 2023, the Company is in a net liabilities and net current liabilities position of S\$4.8 million (31 December 2022: net assets position of S\$2.8 million) and S\$7.2 million (31 December 2022: S\$5.8 million), respectively.

The Board of Directors and management believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2023 of the Group and the Company is appropriate, based on a detailed evaluation of available liquidity and financing sources and a reasonable estimation of upcoming transactions and measures barring any unforeseen circumstances. In the analysis of the going concern premise applied in formulating the condensed interim consolidated financial statements for both the Group and the Company, key considerations include:

1. the implementation of cost-reduction strategies to reduce operational expenses and increase cash flows;
2. there is no change to the payment terms of the Group’s bank loan, and the Group has been and will continue to, service the bank loan as and when it is due; and
3. the Company is in advanced discussion with certain shareholders of the Company to extend financial support to the Company if needed.

Accordingly, the directors of the Company consider it appropriate that these financial statements of the Group and the Company should be prepared on a going concern basis and do not include adjustments that would be required should the Group or the Company fail to continue as a going concern.

2.1. New and amended standards adopted by the Group

The Group has adopted new and revised SFRS(I) and interpretations of SFRS(I) applicable to the Group and the Company which are effective for the financial year beginning 1 January 2023. The adoption of these new SFRS(I), amendments and interpretations of SFRS(I) is not expected to have a material impact on the Group’s unaudited condensed interim consolidated financial statements for current and prior financial years.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group as at and for the financial year ended 31 December 2022 other than the impairment of non-financial assets and fair value of unquoted investments.

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

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Depreciation of property, plant and equipment and right-of-use assets;
- Impairment of property, plant and equipment and right-of-use assets;
- Impairment of subsidiaries;
- Impairment of goodwill
- Allowance for inventory obsolescence;
- Provision for expected credit losses of trade and other receivables; and
- Valuation of unquoted investments.

3. Seasonal operations

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

4. Segment and revenue information

For management reporting purposes, the Group is organised into Metal business and Healthcare business units based on their geographical locations.

There are no operating segments that have been aggregated to form the above reportable operating segments.

The Group's Chief Executive Officer ("CEO"), who is the chief operating decision maker, monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included in the following tables. Performance is measured based on segment profit (before interest, taxation and unallocated expenses), as included in the internal management reports that are reviewed by the Group's CEO, which in certain respects, as explained in the following tables, is different from profit in the consolidated financial statements. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Inter-segment pricing is determined on an arm's length basis.

The Group's finance costs and income taxes are managed on a group basis and are not allocated to operating segments.

4.1 Reportable segments

	2H2023				
	(Continuing)		(Discontinued)		Total
	Healthcare business		Metal business		
	Singapore	Others	Total	S\$	
S\$	S\$	S\$	S\$	S\$	
Total revenue	165	-	165	11,751	11,916
Segment loss	(427)	(142)	(569)	(4,682)	(5,251)
Finance costs	(99)	(127)	(226)	(1)	(227)
Unallocated expenses ⁽ⁱ⁾	(9)	(325)	(334)	(67)	(401)
Loss before taxation			(1,129)	(4,750)	(5,879)
Taxation			-	(25)	(25)
Loss for the year			(1,129)	(4,775)	(5,904)
Additions of property, plant and equipment	-	-	-	279	279
Additions right-of-use assets	-	-	-	50	50
Depreciation of property, plant and equipment	3	5	8	263	271
Depreciation of right-of-use assets	-	14	14	121	135
Loss on disposal of property, plant and equipment	-	-	-	251	251
Gain on disposal of right-of-use assets	-	-	-	63	63
Impairment of property, plant and equipment	-	-	-	31	31
Impairment of goodwill	75	-	75	-	75
Loss on disposal of subsidiaries	-	-	-	1,372	1,372
Loss on re-measurement of disposal group classified as held for sale	-	-	-	2,517	2,517
Write-down of property, plant equipment made	-	-	-	26	26
Write-down on inventories, reversed	-	-	-	(25)	(25)

	2H2022				
	(Continuing)		(Discontinued)		
	Healthcare business		Metal business		Total
	Singapore	Others	Total	S\$	
	S\$	S\$	S\$	S\$	S\$
Total revenue	423	-	423	15,373	15,796
Segment loss	(4,158)	(420)	(4,578)	(418)	(4,996)
Finance costs	(110)	(107)	(217)	(75)	(292)
Unallocated expenses ⁽ⁱ⁾	(97)	(415)	(512)	-	(512)
Loss before taxation			(5,307)	(493)	(5,800)
Taxation			-	(100)	(100)
Loss for the year			(5,307)	(593)	(5,900)
Additions of property, plant and equipment	191	15	206	66	272
Additions right-of-use assets	179	-	179	103	282
Depreciation of property, plant and equipment	16	8	24	539	563
Depreciation of right-of-use assets	95	31	126	548	674
Gain on disposal of property, plant and equipment	-	(2)	(2)	(262)	(264)
Gain on disposal of right-of-use assets	(3)	-	(3)	-	(3)
Impairment of property, plant and equipment	-	-	-	120	120
Write-down on inventories made	-	-	-	19	19
Share-based payment transactions	-	627	627	-	627

	FY2023				
	(Continuing)		(Discontinued)		
	Healthcare business		Metal business		
	Singapore	Others	Total	S\$	Total
S\$	S\$	S\$	S\$	S\$	
Total revenue	393	-	393	24,466	24,859
Segment loss	(792)	(625)	(1,417)	(4,995)	(6,412)
Finance costs	(119)	(153)	(272)	(122)	(394)
Unallocated expenses ⁽ⁱ⁾	(21)	(1,108)	(1,129)	(76)	(1,205)
Loss before taxation			(2,818)	(5,193)	(8,011)
Taxation			-	(25)	(25)
Loss for the year			(2,818)	(5,218)	(8,036)
Other segment information:					
Segment assets	126	7,859	7,985	-	7,985
Segment liabilities	1,660	6,794	8,454	-	8,454
Non-current assets:					
Property, plant and equipment	8	58	66	-	66
Right-of-use assets	-	30	30	-	30
Additions of property, plant and equipment	3	-	3	414	417
Additions right-of-use assets	-	47	47	57	104
Depreciation of property, plant and equipment	18	10	28	631	659
Depreciation of right-of-use assets	25	22	47	824	871
Loss on disposal of property, plant and equipment	86	-	86	286	372
(Gain)/Loss on disposal of right-of-use assets	(4)	-	(4)	63	59
Impairment of property, plant and equipment	-	-	-	31	31
Impairment of goodwill	75	-	75	-	75
Loss on disposal of subsidiaries	-	-	-	1,372	1,372
Loss on re-measurement of disposal group classified as held for sale	-	-	-	2,517	2,517
Write-down of property, plant equipment made	-	-	-	26	26
Write-down on inventories made	-	-	-	13	13

	FY2022				
	(Continuing)		(Discontinued)		Total S\$
	Healthcare business		Metal business		
	Singapore S\$	Others S\$	Total S\$	S\$	
Total revenue	2,033	-	2,033	31,756	33,789
Segment loss	(4,088)	(1,919)	(6,007)	(622)	(6,629)
Finance costs			(333)	(196)	(529)
Unallocated expenses ⁽ⁱ⁾			(1,553)	-	(1,553)
Loss before taxation			(7,893)	(818)	(8,711)
Taxation			-	(100)	(100)
Loss for the year			(7,893)	(918)	(8,811)
Other segment information:					
Segment assets	1,564	1,275	2,839	19,329	22,168
Segment liabilities	2,910	5,261	8,171	9,282	17,453
Non-current assets:					
Property, plant and equipment	229	67	296	2,187	2,483
Right-of-use assets	149	5	154	3,965	4,119
			-		-
Additions of property, plant and equipment	241	34	275	219	494
Additions right-of-use assets	440	-	440	103	543
Depreciation of property, plant and equipment	18	20	38	1,180	1,218
Depreciation of right-of-use assets	144	61	205	1,204	1,409
Gain on disposal of property, plant and equipment	-	-	-	(163)	(163)
Gain on disposal of right-of-use assets	(3)	-	(3)	-	(3)
Impairment of property, plant and equipment	-	-	-	120	120
Write-down on inventories, reversed	-	-	-	(11)	(11)
Share-based payment transactions	-	627	627	-	627

Note:

⁽ⁱ⁾ Unallocated expenses primarily relate to directors' fees, directors' remuneration, listing expenses and other corporate related expenses.

Breakdown of sales:

	The Group		+ / - %
	FY2023 S\$'000	FY2022 S\$'000	
<u>Continuing operations</u>			
Sales reported for first half (1 January to 30 June)	228	1,610	-86%
Operating loss after tax before deducting non-controlling interests reported for the first half	(1,689)	(2,586)	-35%
Sales reported for second half (1 July to 31 December)	165	423	-61%
Operating loss after tax before deducting non-controlling interests reported for the second half	(1,129)	(5,307)	-79%
<u>Discontinued operations</u>			
Sales reported for first half (1 January to 30 June)	12,715	16,383	-22%
Operating loss after tax before deducting non-controlling interests reported for the first half	(443)	(325)	36%
Sales reported for second half (1 July to 31 December)	11,751	15,373	-24%
Operating loss after tax before deducting non-controlling interests reported for the second half	(4,775)	(593)	>100%

5. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement:

	The Group			
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$000	FY2022 S\$000
Current tax expenses				
<u>Discontinued operation</u>				
Deferred tax				
- Origination and reversal of temporary differences	25	100	25	100
	25	100	25	100

6. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired property, plant and equipment with an aggregate cost of S\$417,000 (31 December 2022: S\$494,000) and disposed of assets with an aggregate carrying amount of S\$1,004,000 (31 December 2022: S\$868,000).

7. Subsidiaries

	The Company		
	31-Dec-23 S\$'000	31-Dec-22 S\$'000 (Restated)	31-Dec-21 S\$'000 (Restated)
<u>Unquoted equity investments, at cost</u>			
At beginning of the year	22,736	26,647	20,396
Increase in investment in a subsidiary ^(a)	810	10,128	6,483
Disposal	-	(14,039)	(232)
At end of the year	23,546	22,736	26,647
<u>Allowance for impairment losses</u>			
At beginning of the year	12,475	8,807	4,249
Allowance made	8,091	3,668	4,790
Allowance reversed	-	-	(232)
At end of the year	20,566	12,475	8,807
Carrying amount	2,980	10,261	17,840

Note:

- (a) This is related to the financial guarantee given by the Company to Gainhealth Pte Ltd, a wholly-owned subsidiary of the Company, and was fully impaired in the same financial year ended.

7a. Acquisition of subsidiary

On 13 March 2023, Gainhealth Pte Ltd, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement (“SPA”) with Dr Toh Lim Kai (“Vendor”) to acquire 80% equity interest in TS Medical (City Gate) Pte. Ltd. (“TS Medical”). This transaction has been accounted for by the acquisition method of accounting. The principal activity of TS Medical is medical clinic business.

Details of the consideration paid, assets acquired and liabilities assumed, goodwill arising, and the effects on the cash flows of TS Medical is as follows:

	FY2023 S\$'000
Consideration	
Cash	108
Contingent consideration ^(a)	16
	124
Identifiable assets acquired and liabilities assumed	
<u>At fair value</u>	
Cash at bank	11
Trade and other receivables	37
Inventory	6
Plant and equipment	4
Trade and other payables	(9)
Identifiable assets acquired and liabilities assumed	49
Goodwill arising	
Consideration transferred	124
Less: Net assets acquired	(49)
Goodwill arising (Note 8)	75
Effects on cash flows of the Group	
Cash consideration paid	70
Less: Cash and cash equivalents in acquiree	(11)
Cash outflow on acquisition	59

Note:

- (a) This is the discounted final payment of S\$40,000, which shall be payable one (1) year from the signing of the SPA, provided that TS Medical generates at least S\$300,000 in revenue within twelve (12) months from the signing of the SPA.

7b. Disposal of subsidiaries

On 8 November 2023, the Group disposed its wholly-owned subsidiaries, MCE Technologies Sdn Bhd ("MCET") and MCT Thailand Co. Ltd. ("MCT") under its Metal business.

Details of the disposal are as follows:

	MCET	MCT	Total
	FY2023	FY2023	FY2023
	S\$'000	S\$'000	S\$'000
Carrying amounts of net assets over which control was lost			
Property, plant and equipment	1,062	761	1,823
Right-of-use assets	1,131	84	1,215
Deferred tax assets	37	-	37
Inventories	719	661	1,380
Trade and other receivables	2,139	2,735	4,874
Prepayments	139	13	152
Cash and bank balances	289	159	448
Borrowings	(87)	(239)	(326)
Lease liabilities	(1,237)	(86)	(1,323)
Trade and other payables	(2,408)	(667)	(3,075)
Net assets derecognised	<u>1,784</u>	<u>3,421</u>	<u>5,205</u>
Consideration received/receivable			
Cash and cash equivalents			5,331
Total consideration received/receivable			<u>5,331</u>
Loss on disposal			
Total consideration received/receivable			5,331
Less: Net assets derecognised			(5,205)
Less: Currency translation differences reclassified to profit or loss from disposal of subsidiaries			(1,147)
Less: Costs on disposal			(351)
Loss on disposal			<u>(1,372)</u>
Net cash inflows arising on disposal			
Consideration received in cash and cash equivalents			5,331
Less: Costs on disposal			(351)
Less: Cash and cash equivalents disposed			(448)
Net cash inflows arising on disposal			<u>4,532</u>

10. Trade and other receivables

	The Group		The Company		
	31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000 (Restated)	31-Dec-21 S\$'000 (Restated)
Trade receivables					
- third parties	592	7,870	408	538	1,782
- subsidiaries	-	-	1,703	2,896	2,821
	592	7,870	2,111	3,434	4,603
Less: Allowance for impairment losses					
- third parties	(117)	(660)	(41)	(12)	(12)
- subsidiaries	-	-	(628)	(492)	(238)
	(117)	(660)	(669)	(504)	(250)
	475	7,210	1,442	2,930	4,353
Amounts due from subsidiaries (non-trade)	-	-	6,468	9,643	12,490
Less: Allowance for impairment losses	-	-	(5,892)	(9,643)	(8,343)
Deposits	744	833	15	16	16
Other receivables	275	189	11	39	93
Less: Allowance for impairment losses					
- third parties	(517)	(110)	-	-	-
Financial assets at amortised cost	977	8,122	2,044	2,985	8,609
Input taxes, net	117	1	-	22	22
	1,094	8,123	2,044	3,007	8,631

The movement in allowances for impairment losses in respect of trade receivables is as follows:

	The Group		The Company		
	31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000 (Restated)	31-Dec-21 S\$'000 (Restated)
At 1 January	660	12	504	250	5,349
Allowance reversed	(648)	-	(49)	-	(5,099)
Allowance utilised	-	-	49	-	-
Allowance made	105	648	165	254	-
	117	660	669	504	250

11. Cash and bank balances

	The Group		The Company	
	31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Cash in banks	5,163	3,218	1,215	530
Cash on hand	1	-	-	-
Cash and cash equivalents in the statement of cash flow:	5,164	3,218	1,215	530
Reclassified to disposal group held for sale (Note 12)	(1,798)	-	-	-
Cash as cash balances in the statement of financial position	3,366	3,218	1,215	530

12. Assets/Liabilities of disposal group classified as held for sales

On 20 November 2023, the Company entered into a conditional sale and purchase agreement with Jiangsu TNS Industry Science & Technology Co., Ltd. 江苏泰恩斯工业科技有限公司 (the “Buyer”) for the proposed sale of 100% equity interest in MCE Technologies (Suzhou) Co., Ltd. 美特尔金属制品（苏州）有限公司 (“MCE Suzhou”), a wholly-owned subsidiary of the Company, at a net consideration of RMB1,058,000 (equivalent to approximately S\$203,000).

Accordingly, the disposal group in respect of MCE Suzhou, which was previously reported under the China segment, was classified as held for sale as at 31 December 2023.

There was an impairment loss of S\$2.5 million arising from the re-measurement of the disposal group to the lower of its carrying amount and fair value less costs to sell.

(a) The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	FY2023 S\$'000
Assets	
Property, plant and equipment	707
Inventories	1,401
Trade and other receivables	1,683
Cash and bank balances (Note 11)	1,798
Less: Impairment of assets held for sales	(2,517)
Assets classified as held for sale	<u>3,072</u>
Liabilities	
Trade and other payables	(2,880)
Liabilities classified as held for sale	<u>(2,880)</u>
Net assets classified as held for sale	<u>192</u>

(b) The cumulative income recognised in other comprehensive income relating to disposal group classified as held for sale are as follows:

	FY2023 S\$'000
Currency translation reserve	<u>197</u>

(c) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	FY2023 S\$'000	FY2022 S\$'000
Revenue	11,294	12,902
Other income	167	43
Expenses	(13,051)	(14,298)
Loss before taxation	<u>(1,590)</u>	<u>(1,353)</u>
Taxation	-	-
Loss after taxation	<u>(1,590)</u>	<u>(1,353)</u>

13. Share capital

	The Group and the Company			
	31-Dec-23		31-Dec-22	
	Number of		Number of	
	Shares	Amount	Shares	Amount
	'000	\$'000	'000	\$'000
<u>Issued and fully paid, with no par value</u>				
At beginning of the year	542,552	29,175	524,958	28,632
Issuance of shares	488,296	2,488	17,594	543
At end of the year	1,030,848	31,663	542,552	29,175

The Company does not have any treasury shares or subsidiary holdings during and as at 31 December 2023 and 31 December 2022.

Following are the shares issued during FY2022:

On 9 May 2022, the Company issued (i) 1,951,977 new ordinary shares at an issue price of S\$0.037 per share, as payment of performance bonus to the vendors of Gainhealth, and (ii) 3,641,217 new ordinary shares at an issue price of S\$0.037 per share, as payment of additional arranger fee pursuant to the sale and purchase agreement for the acquisition of 85.07% of Gainhealth in July 2021, less share issuance expenses amounted to S\$16,000.

On 18 August 2022, the Company issued 12,000,000 new ordinary shares at an issue price of S\$0.05 per share, as payment of performance bonus to the vendors of Gainhealth, as payment of the consideration for the further acquisition of 14.9% of Gainhealth in July 2022.

Following are the shares issued during FY2023:

On 26 October 2023, the Company issued 488,296,359 new ordinary shares at an issue price of S\$0.0055 per share, through a rights issue exercise.

Share Options

As at 31 December 2023, the Company has the following unissued shares pursuant to the MCE Share Option Scheme:

	As at 31 December 2023	As at 31 December 2022
MCE Share Option Scheme 2003	-	2,220,000
MCE Share Option Scheme 2014	4,000,000	40,013,500

Save for the above, the Company does not have any other outstanding convertibles as at 31 December 2023 and 31 December 2022.

14. Trade and other payables

	The Group		The Company		
	31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000 (Restated)	31-Dec-21 S\$'000 (Restated)
Trade payables					
- third parties	418	5,799	202	588	922
- subsidiaries	-	-	5,151	4,348	5,802
	418	5,799	5,353	4,936	6,724
Amounts due to subsidiaries (non-trade)	-	-	1,270	1,190	2,644
Accrued expenses	590	2,364	295	463	1,053
Contingent consideration payable	16	-	-	-	-
Financial guarantee liabilities	-	-	1,249	438	-
Other payables	586	700	351	82	97
	1,192	3,064	3,165	2,173	3,794
Financial liabilities at amortised cost	1,610	8,863	8,518	7,109	10,518

15. Borrowings

	Note	The Group		The Company	
		31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Amounts repayable within one year					
Secured ⁽¹⁾		422	1,504	-	-
Unsecured ⁽²⁾		1,986	2,191	1,986	2,137
Amounts repayable after one year					
Secured ⁽¹⁾		875	435	-	-
Unsecured ⁽²⁾		646	1,729	646	1,730
		3,929	5,859	2,632	3,867

Notes:

(1) The Group's bills payable to banks of S\$1.4 million as at 31 December 2022, which bear interest at variable rate ranging from 4.0% to 5.5%, are secured through a corporate guarantee from the Company. There were no bill payables to bank as at 31 December 2023.

In July 2023, the Group had restructured certain outstanding bills payable to a bank of a balance of S\$1.5 million to a 3-year term loan, bearing interest at a rate of 2.0% per annum over the prevailing 3-month cost of funds. As at 31 December 2023, this loan was amounting to S\$904,000, is secured by a corporate guarantee from the Company.

Short-term bank loan 1, amounting to S\$50,000 (31 December 2022: S\$70,000) with an interest rate of 2.5% (2022: 2.5%) per annum as at 31 December 2023, is secured by a personal guarantee from a former director of a subsidiary of the Company.

Long-term bank loan 1, comprising S\$343,000 (31 December 2022: S\$0.4 million) bear interest at variable rate ranging from 3.0% to 4.0% (2022: 3.0% to 4.0%) per annum as at 31 December 2023, and repayable in 60 monthly instalments, are secured through a corporate guarantee from the Company.

(2) The Group's bills payable to banks of S\$834,000 as at 31 December 2022, which bear interest at variable rate ranging from 4.0% to 5.5%, are unsecured. There were no bill payables to bank as at 31 December 2023.

Short-term bank loan 2, amounting to S\$900,000 (31 December 2022: S\$300,000) with an interest rate of 6.5% (2022: 6.7%) per annum as at 31 December 2023, is unsecured.

Long-term bank loan 2, comprising S\$1,732,000 (31 December 2022: S\$2,786,000) bear interest at variable rate ranging from 3.0% to 4.0% (2022: 3.0% to 4.0%) per annum as at 31 December 2023, and repayable in 60 monthly instalments, are unsecured.

16. Loss before taxation

The following items have been charged/(credited) in arriving at loss before tax:

	The Group			
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Other income				
<u>Continuing operations</u>				
Government Grant	(11)	(2)	(77)	(97)
Miscellaneous income	(24)	(65)	(52)	(78)
<u>Discontinued operations</u>				
Interest income from bank	(4)	(3)	(5)	(34)
Government Grant	(165)	(12)	(165)	(12)
Miscellaneous income	-	43	-	(1)
Expenses				
<u>Continuing operations</u>				
Electricity and water	1	21	14	26
Legal & professional fees	-	252	595	1,107
Short-term lease expenses	46	3	72	9
<u>Discontinued operations</u>				
Carriage outwards	82	127	167	268
Chemical, lubricants and gas	125	174	298	423
Electricity and water	313	419	747	893
Factory expenses	68	104	165	273
Legal & professional fees	67	-	143	147
Repair and maintenance	122	144	267	369
Security services	26	26	52	55
Short-term lease expenses	128	200	356	397
Tooling services	107	56	142	97

16a. Loss from discontinued operation for the year

The following are the items in arriving loss from discontinued operation for the year:

	The Group	
	FY2023 S\$'000	FY2022 S\$'000
Discontinued operations		
Revenue	24,467	31,756
Other income	170	47
Raw materials and consumables used	(12,653)	(17,568)
Changes in inventories of finished goods and work in progress	(70)	99
Employee benefits expense	(8,478)	(8,582)
Depreciation of property, plant and equipment	(632)	(1,180)
Depreciation of right-of-use assets	(824)	(1,204)
Other charges	(4,333)	(65)
Finance costs	(122)	(196)
Other operating expenses	(2,718)	(3,925)
Loss before taxation from discontinued operations	(5,193)	(818)
Taxation	(25)	(100)
Loss from discontinued operation for the year	(5,218)	(918)

17. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	The Group		The Company	
	31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Financial assets				
Financial assets at amortised cost:				
- Trade and other receivables*	977	8,122	2,044	2,985
- Cash and bank balances	3,366	3,218	1,215	530
	4,343	11,340	3,259	3,515
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	1,610	8,863	8,518	7,109
- Loans and borrowings	3,929	5,859	2,632	3,867
- Lease liabilities	30	2,430	30	63
	5,569	17,152	11,180	11,039

* excluding input taxes

18. Financial instruments

Fair value

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables (excluding input taxes), cash and bank balances, short-term borrowings, and trade and other payables (excluding provision for retirement benefits), are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

Financial assets and financial liabilities subject to enforceable master netting arrangements that are not otherwise set-off

The Group and the Company regularly purchase raw materials from and sell finished products to two counterparties. The Group and the Company and both counterparties do not have an arrangement to settle the amount due to or from each other on a net basis but have the right to set off in the case of default and insolvency or bankruptcy.

The Group's trade receivables and trade payables subject to an enforceable master netting arrangement that are not otherwise set-off are as follows:

	The Group		
	Carrying amounts	Related amounts not set off in the statement of financial position	Net amounts
	S\$'000	S\$'000	S\$'000
31-Dec-22			
Trade receivables	2,092	(32)	2,060
Trade payables	32	(32)	-
	2,124	(64)	2,060

Transferred financial assets that are not derecognised in their entirety

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Carrying amount of assets:				
Trade receivables (Note 10)	-	462	-	-
	-	462	-	-
Carrying amount of associated liabilities:				
Bills payable to banks (Note 15)	-	(2,266)	-	(377)
	-	(2,266)	-	(377)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities not measured at fair value but for which fair values are disclosed *

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<u>The Group</u>				
31-Dec-23				
Long-term bank loans	-	3,158	-	3,158
31-Dec-22				
Long-term bank loans	-	3,435	-	3,435
<u>The Company</u>				
31-Dec-23				
Long-term bank loan	-	1,773	-	1,773
31-Dec-22				
Long-term bank loans	-	2,896	-	2,896

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial.

Long-term bank loans

The carrying amounts of interest-bearing loans that reprice within six months of the end of the reporting period approximate their fair values. The fair values of all other interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

Financial assets and liabilities measured at fair value

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<u>The Group</u>				
31-Dec-23				
Other investments of FVOCI	-	-	23	23
31-Dec-22				
Other investments of FVOCI	-	-	405	405

Unquoted equity instruments

Discounted cash flows: The valuation requires management to make certain assumption about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the variables estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

19. Net asset value

	The Group		The Company	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Net asset value per ordinary share (Singapore cents)	(0.05)	0.88	(0.46)	0.52
Number of shares at the end of the year ('000)	1,030,848	542,552	1,030,848	542,552
Net assets (S\$'000)	(473)	4,777	(4,792)	2,839

20. Restatement of comparative figures in Meta Health Limited's consolidated financial statements for FY2022

The restatement of the Group's comparative figures are as follows:

	As reported S\$'000	Adjustments S\$'000	Note	As restated S\$'000
The Group				
<u>Extract of statement of profit or loss and other comprehensive income for financial year ended 31 December 2022</u>				
<i>Change in fair value of equity investment at fair value to other comprehensive income</i>				
Items that may be reclassified subsequently to profit or loss	(2,070)	2,070	(a)	-
Items that may not be reclassified subsequently to profit or loss		(2,070)	(a)	(2,070)
<u>Extract of statement of cash flow for the financial year ended 31 December 2022</u>				
<i>Cash Flows from Investing Activities</i>				
Acquisition of non-controlling interest	(400)	400	(b)	-
<i>Cash Flows from Financing Activities</i>				
Acquisition of non-controlling interest	-	(400)	(b)	(400)
The Company				
<u>Extract of statement of financial position as at 31 December 2021</u>				
<i>Assets</i>				
Trade and other receivables	10,732	(2,101)	(c)	8,631
<i>Equity</i>				
Reserves – Accumulated losses		(2,101)	(c)	
<u>Extract of statement of financial position as at 31 December 2022</u>				
<i>Assets</i>				
Trade and other receivables	6,662	(2,101)	(c)	3,007
		(1,554)	(d)	
<i>Equity</i>				
Reserves – Accumulated losses		(2,101)	(c)	
		(1,554)	(d)	
<i>Liabilities</i>				
Trade and other Payables	(6,671)	(438)	(e)	(7,109)
<i>Equity</i>				
Reserves – Accumulated losses		(438)	(e)	

Notes:

- (a) Reclassification of change in fair value of equity investment from “Items that may be reclassified subsequently to profit or loss” to “Items that may not be reclassified subsequently to profit or loss”.
- (b) Reclassification of acquisition of non-controlling interest from “cash flows from investing activities” to “cash flows from financing activities” due to wrong classification.
- (c) Expected credit losses provision for trade and other receivables due from 5Digital Pte Ltd (“**5Digital**”) as at 31 December 2021.
- (d) Expected credit losses provision for trade and other receivables due from 5Digital as at 31 December 2022.
- (e) Fair value of financial guarantee to Gainhealth Pte Ltd (“**Gainhealth**”).

21. Subsequent events

1. On 10 January 2024, the Company announced that its subsidiary companies, Gainhealth and 5Digital have reached an agreement with Dr Vasanthan Metupalle ("**Dr Vas**") and Jagannathan Padmaja Sakthi ("**Mdm Sakthi**") to settle out-of-court the legal proceedings commenced by Gainhealth and 5Digital in the High Court of Singapore against (i) Dr Vas; (ii) Mdm Sakthi; (iii) 1Life Healthcare Pte Ltd; and (iv) Aventres Enterprise Limited, all as allegedly involved in the deceit (the "**Suit**") to, among others, recover some of the Group's losses and wrongful payments made in connection thereto which were identified in the course of the Company's on-going internal investigations ("**Settlement**").

Following the Settlement, Gainhealth and 5Digital have entered into and executed a written settlement agreement with Dr Vas and Mdm Sakthi (the "**Settlement Agreement**"). Pursuant to the Settlement Agreement, Dr Vas and Mdm Sakthi have agreed, among others, to pay the agreed settlement amount to Gainhealth and 5Digital in the manner set out in the Settlement Agreement. The settlement amount represents the full amount of damages that was claimed by Gainhealth and 5Digital in the Suit, together with a contribution towards costs.

Please refer to the Company's announcements dated 12 April 2023, 24 May 2023, 15 September 2023 and 10 January 2024, for more information on the Suit, the Settlement and the Settlement Agreement.

2. On 25 January 2024, the Company announced that the sale of the entire issued and paid-up share capital of MCE Technologies (Suzhou) Co., Ltd. ("**MCE Suzhou**") have been completed on 23 January 2024. Accordingly, MCE Suzhou and MCE Corporation (Shanghai) Co., Ltd. (a wholly-owned subsidiary of MCE Suzhou) have ceased to be subsidiaries of the Company and the Group on 23 January 2024.

F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed interim consolidated balance sheet of Meta Health Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 31 December 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated cash flow statement for the six-month and twelve month period then ended and the explanatory notes have not been audited or reviewed by the Company’s auditors.

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

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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

The latest audited consolidated financial statements of the Group for the financial year ended 31 December (“**FY**”) 2022 were subject to a qualified opinion by the Company’s independent auditor (“**Qualified Opinion**”). The Qualified Opinion was due to certain alleged irregularities relating to, among other things, certain sale transactions involving the Company’s wholly-owned subsidiary, Gainhealth.

As disclosed in the independent auditor’s report dated 14 April 2023 contained in the Company’s Annual Report for FY2022, the Company had taken steps to meet and engage with its employees, customers, and suppliers who were potentially involved in or who might have information on the transactions which are the subject of the allegations. While the Company’s independent auditor had responded and performed certain procedures as detailed in the independent auditor’s report, the independent auditor was unable to ascertain any further potential irregular transactions and any potential unrecorded liabilities as the Company had, on 11 April 2023, lodged a police report in respect of the allegations, and police investigations into the irregularities may be initiated and may possibly require additional adjustment(s), disclosure(s) and/or other consequential effect(s) in respect of the financial statements of the Group for FY2022 and FY2021.

As announced by the Company on 24 May 2023, the Company had provided to the relevant investigating officer of the Singapore Police Force additional information and related materials arising from the Company’s on-going internal investigations. The Group had also commenced legal proceedings in the High Court of Singapore against certain individuals and entities which are not part of the Group, all as alleged involved in the deceit to, among others, recover some of the Group’s losses and wrongful payments made in connection thereto which were identified in the course of the Company’s on-going internal investigations.

On 10 January 2024, the Company announced that its subsidiary companies, Gainhealth and 5Digital have reached an agreement with Dr Vasanthan Metupalle (“**Dr Vas**”) and Jagannathan Padmaja Sakthi (“**Mdm Sakthi**”) to settle out-of-court the legal proceedings commenced by Gainhealth and 5Digital in the High Court of Singapore (“**Settlement**”).

Following the Settlement, Gainhealth and 5Digital have entered into and executed a written settlement agreement with Dr Vas and Mdm Sakthi (the “**Settlement Agreement**”). Pursuant to the Settlement Agreement, Dr Vas and Mdm Sakthi have agreed, among others, to pay the agreed settlement amount to Gainhealth and 5Digital in the manner set out in the Settlement Agreement. The settlement amount represents the full amount of damages that was claimed by Gainhealth and 5Digital in the Suit, together with a contribution towards costs. Please refer to the Company’s announcement on 10 January 2024 for further information on the Settlement Agreement.

The board of directors of the Company confirms that the impact of all outstanding audit issues on the financial statements for FY2022 have been adequately disclosed.

2. Review of performance of the Group

(A) STATEMENT OF COMPREHENSIVE INCOME REVIEW

Statement of Comprehensive Income – Continuing Operation

FY2023 vs FY2022

Revenue

The Group recorded revenue of S\$0.4 million for the financial year ended 31 December 2023 (“FY2023”), a 81% decrease from S\$2.0 million for the financial year ended 31 December 2022 (“FY2022”). The decrease was mainly due to the scaled down operation of the Group’s Healthcare business in FY2023 as the Group does not have any COVID-19 related business in FY2023, and no longer engaged in any sale of medical consumable and health food products.

Other income

Other income decreased by S\$46,000, from S\$175,000 in FY2022 to S\$129,000 in FY2023. The decrease was mainly due to lesser government grant and interest income in FY2023.

Expenses

Cost of direct materials decreased by S\$1.1 million, from S\$1.4 million in FY2022 to S\$0.3 million in FY2023, in line with overall decrease in sales in FY2023. Percentage of cost of direct materials to revenue increased from 67.4% in FY2022 to 76.3% in FY2023, mainly due to changes in sales mix and increase in raw material costs.

Employee benefits expense decreased by S\$1.8 million, from S\$3.3 million in FY2022 to S\$1.5 million in FY2023, mainly due to decrease in headcount and staff costs, and allocation of costs due to the disposal of subsidiaries in FY2023.

Depreciation of property, plant and equipment decreased by S\$10,000, from S\$38,000 in FY2022 to S\$28,000 in FY2023, mainly due to certain assets that had been fully depreciated in FY2022.

Depreciation of right-of-use assets decreased by S\$158,000, from S\$205,000 in FY2022 to S\$47,000 in FY2023, mainly due to disposal (early termination) of a lease in Singapore in FY2023. No penalty was incurred for this early termination.

Impairment of goodwill of S\$75,000 in FY2023 related to the impairment of the Group’s investment in TS Medical due to the recoverable amount being less than the value in use as at 31 December 2023.

Expected credit loss on trade and other receivables of S\$62,000 million in FY2023 was due to reversal of provision made following receipt of payments amounting to S\$0.3 million, partially offset by additional provision of S\$0.4 million in FY2023.

Other credits of S\$0.4 million in FY2023 is mainly related to bad debts recovered from receivables amounting to S\$0.5 million, partially offset by loss on disposal of plant and equipment of \$0.1 million.

Finance costs decreased by S\$61,000, from S\$333,000 in FY2022 to S\$272,000 in FY2023, mainly due to the decrease in loan balances, lesser trade bill transactions and lower lease liabilities.

Other operating expenses comprised mainly rental, computer related expenses, legal and professional fees, and other expenses resulting from the reversal of certain sales and purchase, trade receivables and payables in other expense. Other operating expenses decreased by S\$2.3 million, from S\$3.7 million in FY2022 to S\$1.4 million in FY2023. The decrease was due to (i) the reversal of certain sales and purchase, trade receivables and payables in FY2022 in relation to the irregularities in Gainhealth Pte Ltd, which was disclosed in the Group FY2022 Annual Report (See Note 37), (ii) lower legal and professional fees in FY2023, and (iii) lower corporate expenses such as rental and advertising in FY2023.

Loss after tax

As a result of the above, the Group recorded a lower loss after tax from continuing operation of S\$2.8 million in FY2023, as compared to a loss after tax from continuing operation of S\$7.9 million in FY2022.

Loss from discontinued operations

Loss from discontinued operations relates to loss from the Group’s Metal business segment in FY2023. Please refer to Section E Note 16a of this announcement for a detailed breakdown.

2H2023 vs 2H2022

Revenue

Revenue decreased by S\$0.2 million, from S\$0.4 million in 2H2022 to S\$0.2 million in 2H2023, mainly due to the scaled down operation of the Group's Healthcare business in FY2023 as the Group does not have any COVID-19 related business in FY2023, and no longer engaged in any sale of medical consumable and healthy food products.

Other income

Other income decreased by S\$32,000, from S\$67,000 in 2H2022 to S\$35,000 in 2H2023. The decrease was mainly due to lesser government grant and interest income in FY2023.

Expenses

Cost of direct materials decreased by S\$0.2 million, from S\$0.3 million in 2H2022 to S\$0.1 million in 2H2023, in line with the decrease in revenue.

Employee benefits expense decreased by S\$0.5 million, from S\$1.2 million in 2H2022 to S\$0.7 million in 2H2023, mainly due to decrease in headcount and staff costs, and allocation of costs due to the disposal of subsidiaries in FY2023.

Depreciation of property, plant and equipment decreased by S\$17,000, from S\$24,000 in 2H2022 to S\$7,000 in 2H2023, mainly due to certain assets that had been fully depreciated in FY2022.

Depreciation of right-of-use assets decreased by S\$111,000, from S\$126,000 in 2H2022 to S\$15,000 in 2H2023, mainly due to early termination of a lease in Singapore in FY2023. No penalty was incurred for this early termination.

Impairment of goodwill of S\$75,000 in FY2023 related to the impairment of the Group's investment in TS Medical as at 31 December 2023 due to the recoverable amount is less than the value in use.

Expected credit loss on trade and other receivables of S\$0.2 million in 2H2023 was due to the reversal of provision made following receipt of payments amounting to S\$0.2 million, partially offset by additional provision of S\$0.4 million in FY2023.

Other credits of S\$0.7 million in 2H2023 mainly related to bad debts recovered from receivables amounting to S\$0.5 million and gain on foreign exchange of approximately \$0.2 million.

Other operating expenses comprised mainly rental, advertising and promotion, legal and professional fees, and other expenses resulting from the reversal of certain sales and purchase, trade receivables and payables resulting in recognition in other expense. Other operating expenses decreased by S\$2.3 million, from S\$2.9 million in 2H2022 to S\$0.6 million in 2H2023. The decrease was due to (i) the reversal of certain sales and purchase, trade receivables and payables in FY2022 in relation to the irregularities in Gainhealth Pte Ltd, which was disclosed in the Group FY2022 Annual Report (See Note 37), (ii) lower legal and professional fees of S\$0.2 million, (iii) lower computer related expenses of S\$0.2 million and advertising and promotion of S\$0.1 million.

Loss after tax

As a result of the above, the Group recorded a lower loss after tax from continuing operation of S\$1.1 million in 2H2023, as compared to a loss after tax from continuing operation of S\$5.3 million in 2H2022.

Loss from discontinued operations

Loss from discontinued operations relates to loss from the Group's Metal business segment in FY2023.

(B) STATEMENT OF CASH FLOWS / WORKING CAPITAL & BALANCE SHEET REVIEW

Statement of Financial Position

Balance Sheet

Property, plant and equipment decreased from S\$2.9 million as at 31 December 2022 to S\$66,000 as at 31 December 2023, mainly due to depreciation charge, disposal of plant and equipment and transfer of assets of MCE Technologies (Suzhou) Co., Ltd. ("MCE Suzhou") to assets held for sale in FY2023.

Right-of-use assets decreased from S\$4.1 million as at 31 December 2022 to S\$30,000 as at 31 December 2023, mainly due to depreciation charge and disposal of right-of-use assets in FY2023.

Other investment decreased from S\$0.4 million as at 31 December 2022 to S\$23,000 as at 31 December 2023, due to fair value adjustment during FY2023. Other investment relates to the Company's investment in Adazal Private Limited and Medtel Healthcare Private Limited. Please refer to Note 9 of Section E of this announcement for further information.

Inventories decreased from S\$3.3 million as at 31 December 2022 to S\$14,000 as at 31 December 2023, mainly due to disposal of subsidiaries and transfer of assets of MCE Suzhou to assets held for sale in FY2023.

Trade and other receivables decreased from S\$8.1 million as at 31 December 2022 to S\$1.1 million as at 31 December 2023, mainly due to disposal of subsidiaries and repayment made during FY2023.

Prepayments decreased from S\$0.4 million as at 31 December 2022 to S\$0.3 million as at 31 December 2023, mainly due to amount charged to expenses as utilised in FY2023.

Total borrowings decreased from S\$5.9 million as at 31 December 2022 to S\$3.9 million as at 31 December 2023, mainly due to repayment of hire purchases, bill payables and loans in FY2023.

Total lease liabilities decreased from S\$2.4 million as at 31 December 2022 to S\$30,000 as at 31 December 2023, mainly due to disposal of subsidiaries in FY2023.

Assets (of S\$3.0 million) and Liabilities (of S\$2.9 million) of disposal group classified as held for sale as at 31 December 2023 (as at 31 December 2022: Nil) relate to MCE Suzhou, which was disposed of by the Company during FY2023.

As a result of the above, the Group's net working capital (excluding assets and liabilities of disposal group classified as held for sale) was S\$0.7 million as at 31 December 2023, as compared to a net working capital of S\$1.2 million (which includes the assets and liabilities of the disposal group classified as held for sale).

Cash Flow

The Group recorded a net cash inflow of S\$2.2 million in FY2023 (FY2022: outflow of S\$6.8 million) due to net cash of S\$3.0 million used in operating activities, net cash of S\$4.7 million generated from investing activities, and net cash of S\$0.5 million generated from financing activities.

Net cash used in operating activities in FY2023 was S\$3.0 million, due to operating loss before working capital changes of S\$1.5 million, and further decrease in working capital changes of S\$1.5 million.

Net cash generated from investing activities in FY2023 was S\$4.7 million, mainly due to acquisition of a subsidiary of S\$59,000, and acquisition of plant and equipment of S\$0.4 million, partially offset proceeds from the disposal of plant and equipment of S\$0.6 million and net proceeds from disposal of subsidiaries of S\$4.5 million.

Net cash generated from financing activities in FY2023 was S\$0.5 million, due to interest paid of S\$0.4 million, and repayment of bank borrowings and lease liabilities of S\$6.1 million and S\$0.8 million respectively, partially offset by proceeds from bank borrowings and issuance of shares (Rights Issue) of S\$5.3 million and S\$2.5 million respectively.

Correspondingly and after the effects of exchange differences on translation of cash and cash equivalents, the Group's cash and cash equivalents increase by S\$1.9 million, from S\$3.2 million as at 31 December 2022 to S\$5.2 million as at 31 December 2023.

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

Not applicable as the Company did not disclose any forecast or prospect statement to shareholders previously.

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

The Group continues to tap on the Healthier SG programme launched by the Ministry of Health Singapore. There is a higher focus on the government's emphasis on preventative care and ensuring Singaporeans are being followed up with a primary care physician which patients can do so at our clinic. We are also looking at ways to diversify our revenue at our clinic.

Following the completion of disposal of subsidiaries under the Metal business, the Company is focusing on looking for new businesses to expand the revenue stream of the Group. The Company will make an announcement as and when necessary pursuant to the Catalist Rules, when there is a development on the aforementioned.

5. Dividend information

(a) Any dividend recommended/declared for the current financial period reported on?

Nil.

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

Nil.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared or recommended, as the Group was loss making for FY2023.

7. Interested person transactions (“IPTs”)

The Group did not obtain a general mandate from its shareholders for IPTs. There was no IPT entered into by the Group with a value of S\$100,000 or more during FY2023.

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

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

9. Review of performance of the Group – turnover and earnings by operating segments

Healthcare business

Please refer to the section entitled “Review of performance of the Group – Statement of Comprehensive Income Review” under Section F Note 2 of this announcement for information.

Metal business

The Group has ceased its business in the Metal business segment during FY2023, following the disposal of the following entities in FY2023:

- a. MCE Technologies Sdn Bhd
- b. MCT Thailand Co. Ltd.
- c. MCE Technologies (Suzhou) Co., Ltd.

10. Disclosure pursuant to Catalist Rule 706A

Acquisition of TS Medical

On 13 March 2023, Gainhealth, a wholly-owned subsidiary of the Group, entered into a sale and purchase agreement (“SPA”) with Dr Toh Lim Kai (“Vendor”) to acquire the entire issued and paid-up share capital of TS Medical (City Gate) Pte. Ltd. (“TS Medical”), at a consideration of approximately S\$150,000 (“Purchase Price”), which will be fully satisfied in cash, in the following manner:

- (a) S\$70,000 shall be payable within thirty (30) days of the signing of the SPA;
- (b) S\$20,000 shall be payable four (4) months from the signing of the SPA;
- (c) S\$20,000 shall be payable six (6) months from the signing of the SPA; and
- (d) S\$40,000 shall be payable one (1) year from the signing of the SPA, provided that TS Medical generates at least S\$300,000 in revenue within twelve (12) months from the signing of the SPA.

TS Medical is involved in the medical clinic business. The acquisition, which constituted a non-disclosable transaction under Chapter 10 of the Catalyst Rules, was completed on 13 March 2023. Following the completion of the acquisition, TS Medical is now a wholly-owned subsidiary of the Group.

The Purchase Price was arrived at on a willing-buyer, willing-seller basis, after arm's length negotiation between Gainhealth and the Vendor, and taking into consideration, the net asset value of TS Medical as at 28 February 2023. The unaudited net asset value of TS Medical was S\$48,000, based on the unaudited management accounts of TS Medical as at 28 February 2023.

None of the Directors and controlling shareholders of the Company or their respective associates has any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the acquisition of TS Medical.

Disposal of MCE Technologies Sdn Bhd ("MCET") and MCT Thailand Co. Ltd. ("MCT")

On 22 September 2023, the Company announced that it has entered into a sale and purchase agreement with UWC Berhad, Boon Che Kwang and Tan Yoo Heng (collectively, the "**Purchasers**") for the sale of the entire issued and paid-up share capital of MCET and MCT (collectively, "**Target Subsidiaries**") for an aggregate consideration of S\$5,331,520, which was payable fully in cash by the Purchasers ("**Disposal**"). The unaudited net asset value attributable to the Target Subsidiaries as at 30 June 2023 was S\$5,587,608. The Disposal was completed on 8 November 2023 and the Target Subsidiaries ceased to be subsidiaries of the Company on the same date.

Please refer to the Company's circular to shareholders dated 9 October 2023 in relation to the Disposal, for further information on the factors taken into account in arriving at the sale consideration and how it was satisfied, including the terms of the payment.

Save for the above, the Group did not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary or associated company of the Group, or result in a change in the Group's shareholding percentage in a subsidiary or associated company in FY2023.

11. Use of Proceeds

On 26 October 2023, the Group completed the renounceable non-underwritten rights issue ("**Rights Issue**") and raised net proceeds of approximately S\$2.46 million ("**Net Proceeds**"). Please refer to the Company's offer information statement dated 4 October 2023 ("**Offer Information Statement**") for more information on the Rights Issue, and the Company's announcement dated 25 October 2023 in relation to the results of the Rights Issue ("**Announcement**").

The following table summarises the use of the Net Proceeds:

Use of Net Proceeds	Net Proceeds as disclosed in the Announcement (S\$'000)	Amount utilised as announced by the Company on 3 November 2023 (S\$'000)	Amount utilised from 4 November 2023 up to the date of this announcement (S\$'000)	Balance as at the date of this announcement (S\$'000)
Repayment of existing loans	700	(500) ^(a)	(200) ^(b)	-
General corporate and working capital purposes of the Group	1,756	(35) ^(c)	(885) ^(d)	836
Total Net Proceeds	2,456	(535)	(1,085)	836

Notes:

- (a) Relates to repayment of term loan of the principal sum of S\$1,515,625 provided by the United Overseas Bank Limited to Gainhealth, which will mature in July 2026, as disclosed in paragraph 6 of Part 4 of the Offer Information Statement.
- (b) Relates to repayment of term loan of the principal sum of S\$200,000 provided by MWA Capital Pte Ltd to Meta Health Limited, which matured in December 2023, as disclosed in paragraph 6 of Part 4 of the Offer Information Statement.
- (c) Relates to professional fees paid.
- (d) The breakdown of the use of Net Proceeds for general working capital purposes of the Group is as follows:

	S\$'000
Employee benefit expenses	334
Legal and professional fees, rental, and corporate expenses	551
Total	<u>885</u>

12. Disclosure of persons occupying managerial positions who are related to a Director, CEO or Substantial Shareholder of the Company

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

On behalf of the Board of Directors

Dr Bernard Ng Kee Huat
Executive Chairman and Group Chief Executive Officer

Koh Gim Hoe
Lead Independent Director

29 February 2023