

**Meta Health Limited**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 198804700N)

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION**

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The board of directors (the “**Board**” or “**Directors**”) of Meta Health Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 10 October 2024, 18 November 2024 and 28 November 2024 (the “**Previous Announcements**”) pertaining to the Company’s acquisition of 55% of the entire issued and paid-up share capital of Jas Medical Screening Centre Pte Ltd (the “**Clinic**”) from Mr Lian Ah Lek (“**Transaction**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.

The Board wishes to announce the following in response to queries raised by the Singapore Exchange Regulation in relation to the Transaction.

**SGX Query 1**

As disclosed in Section 4.9 of the Announcement, the Earn-Out Shares have been calculated taking into account the number of issued Meta Shares as at the date of the SPA and accordingly, if a variation in the issued share capital of the Company should take place at any time prior to the allotment and issuance of the Earn-Out Shares (excluding any variation arising from the allotment and issuance of any Introducer Shares), then in respect of such Earn-Out Shares which have yet to be allotted and issued, the number of Earn-Out Shares in relation thereto shall be adjusted to the extent necessary, in such manner as the auditors of the Company shall determine, that in their opinion, to be fair and reasonable.

- (i) How were the Earn-Out Shares calculated? What is the bases and rationale for such calculation?
- (ii) How would the auditors determine whether the number of Earn-Out Shares and Contingent Introducer Shares to be issued and/or adjusted is fair and reasonable? Will the auditors provide an opinion letter on the fairness and reasonableness of such number of Earn-Out Shares?

**Company’s Response**

- (i) The Earn-Out Shares are an integral part of the Transaction, bringing the Maximum Consideration which may be payable to the Vendor up to S\$688,850. This Maximum Consideration nonetheless is below the indicative market value of the Sale Shares which was estimated to be in the range of S\$1.1 million to S\$1.21 million based on the Valuation Report by the Valuer. The Earn-Out Shares were calculated based on the agreed amount of S\$77,770 for each tranche and the issue price of S\$0.01 per Earn-Out Share. The issue price of S\$0.01 per Earn-Out Share represents a premium of 42.86% over the volume weighted average price of Meta Shares of S\$0.007 for trades done on 15 November 2024, being the full market day immediately preceding the date of the SPA.

Each tranche of the Earn-Out Shares will only be allotted and issued to the Vendor upon the audited net profits after taxation for the Clinic’s respective financial year ending 31 December 2025 and 31 December 2026 being not less than S\$175,000 (“**Targets**”). The agreed amount of S\$77,770 thereby represents approximately 45% of the audited net profits after taxation of the Clinic for the respective year, if achieved, taking reference to the shareholding percentage of the remaining shareholders of the Clinic. The Earn-Out Shares and the Targets took into account that the Clinic was loss making for the nine (9)-month period from 1 January 2024 to 30 September 2024 and are intended to provide sufficient incentive for the Clinic’s management team and the Vendor to improve the financial performance of the Clinic and deliver profit and value to the Group, over the next two (2) years.

- (ii) It is the understanding of the Company and the Vendor that the Earn-Out Shares have been calculated taking into account the current number of issued Meta Shares as at the date of the SPA, being 1,030,847,876 Meta Shares, i.e. each tranche of Earn-Out Shares represents approximately 0.0075% of the number of issued Meta Shares.

Similarly, it is the understanding of the Company and the Introducer that each tranche of Contingent Introducer Shares is based on 7,777,000 Earn-Out Shares.

For the purposes of clarifying the parties' understanding and intent with regards to the Earn-Out Shares and the Contingent Introducer Shares as described above and the principle underlying the number of Earn-Out Shares to be allotted and issued to the Vendor and the number of Contingent Introducer Shares to be allotted and issued to the Introducer, in each case vis-à-vis the number of issued Meta Shares after any changes in the number of issued Meta Shares, the Company has on 25 November 2024 executed and entered into the SPA Supplemental Deed with the Vendor and the Introducer Supplemental Deed with the Introducer respectively to amend the SPA and the Introducer Agreement accordingly. Further details of the SPA Supplemental Deed and the Introducer Supplemental Deed can be found in the Company's announcement issued on 28 November 2024.

Pursuant to the SPA Supplemental Deed and the Introducer Supplemental Deed, in the event of any changes in the number of issued Meta Shares (on a fully diluted basis) between the date of the SPA and the date upon which any Earn-Out Share is to be allotted and issued to the Vendor, other than by reason of the allotment and issuance of any Consideration Shares, Earn-Out Shares and/or Introducer Shares, the relevant adjustment formulae provided in the SPA and the Introducer Agreement (as amended by the SPA Supplemental Deed and the Introducer Supplemental Deed respectively and as announced in the Company's announcement dated 28 November 2024) shall be reviewed by a reputable reviewer appointed by the Company and independent of the Company, the Vendor and the Introducer, to determine that such number of Earn-Out Shares or Contingent Introducer Shares to be allotted and issued, as the case may be, is in accordance with the applicable adjustment formulae as stated in the SPA Supplemental Deed and the Introducer Supplemental Deed respectively. Such reviewer may include but is not limited to the auditors of the Company and the review process replaces the requirement of a fair and reasonable opinion. The Company shall announce any adjustment made to the Earn-Out Shares or Contingent Introducer Shares.

## **SGX Query 2**

In respect of the Option Agreement:

- (i) What is the Company's rationale for entering into the Option Agreement? How is this in the best interests of the Company and its shareholders?
- (ii) How is the Fair Value of the Option Shares determined?
- (iii) What are the terms of payment in the event the Put or Call Option is exercised?
- (iv) Please provide the Sponsor's view, together with the bases thereon, on whether the Company has complied with the requirements of Catalist Rule 1018.

## **Company's Response**

- (i) The Company is currently in active discussions with several interested parties for a corporate transaction. The Company had entered into the Option Agreement with the Vendor with the intention to put the Company in a good position to negotiate the deal terms of the aforesaid corporate transaction and other future acquisitions, and also to ensure that Shareholders and prospective investors of the Company have the option to divest such businesses which may no longer align with the corporate directions or strategies of the Group in the future. Accordingly, the Directors are of the opinion that the Company's entry into the Option Agreement is in the best interest of the Group and the Shareholders.

In addition, during negotiations with the Vendor, the Vendor is of the personal opinion that the Clinic intends to be part of a group that focuses on healthcare, and the Vendor should have the option to exit such a group if there is a change of direction or strategy of the Group.

- (ii) Pursuant to the terms of the Option Agreement, the purchase price of the Option Shares (“**Purchase Price**”) shall be the value of the Option Shares as mutually agreed between the Company and the Vendor. Should such a discussion take place, the Company expects to take into account among others, the financial performance and position of the Clinic then. However, if the Company and the Vendor fail to agree on the Purchase Price as aforesaid within 10 business days from the date the Put Option or Call Option is exercised, the board of directors of the Clinic shall then appoint an expert valuer (the “**Expert Valuer**”) to determine the Purchase Price.

Pursuant to the Option Agreement, the Expert Valuer shall be the auditors of the Clinic or an independent firm of chartered accountants practising in Singapore or a chartered valuer and appraiser certified by the Institute of Valuers and Appraisers of Singapore which is agreed between the Company and the Vendor.

Pursuant to the Option Agreement:

- (a) the Expert Valuer shall determine the Purchase Price on the following assumptions and bases:
- (1) the Option Shares are being sold on the basis of an arm’s-length sale between a willing seller and a willing buyer;
  - (2) if the Clinic is then carrying on business as a going concern, it will continue to do so;
  - (3) the Option Shares are capable of being transferred without restriction;
  - (4) the Option Shares are a rateable proportion of the total value of all the issued shares of the Clinic (excluding any shares held as treasury shares) without any premium or discount being attributable to the percentage of the issued share capital of the Clinic which they represent but taking account of the rights attached to the Option Shares; and
  - (5) any other factors that the Expert Valuer reasonably believes should be taken into account;
- (b) if any difficulty arises in applying any of the assumptions or bases above, then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion deem fit; and
- (c) in the absence of fraud or manifest error, the Expert Valuer’s determination of the Purchase Price shall be final and binding on the Company and the Vendor.

For the avoidance of doubt, and as disclosed in paragraph 5.4 of the Company’s announcement dated 18 November 2024 (the “**SPA Announcement**”), the proposed sale of the Option Shares by the Company pursuant to any exercise of the Put Option or the Call Option on the terms of the Option Agreement shall be subject to and conditional upon the following:

- (a) all approvals, waivers or consents as may be required for the sale of the Option Shares by the Company (including without limitation, under all applicable laws and such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective assets are bound) being obtained and where any approval, waiver or consent is subject to conditions, such conditions being reasonably satisfactory to the Company and if required

to be fulfilled by a particular date, being so fulfilled, and such approvals, waivers, consents or fulfilment of conditions remaining valid and in full force and effect and not having been withdrawn, revoked or revised; and

- (b) without limiting the generality of Clause (a) above, if required under any applicable law, approval of the Shareholders having been obtained at an extraordinary general meeting for the sale of the Option Shares.
- (iii) In the event the Put Option or the Call Option is exercised, the Vendor shall pay the relevant Purchase Price for the Option Shares to the Company in cash by bank transfer on completion of the sale and purchase of the Option Shares.
- (iv) The Sponsor is of the view that the Option Agreement can be distinguished from the option contemplated under Catalist Rule 1018 as while the Put Option is exercisable by the Company and the Call Option is exercisable by the Vendor, the right of the Company to require the Vendor to purchase the Option Shares i.e. the Put Option, and the right of the Vendor to require the Company to sell the Option Shares i.e. the Call Option, are not absolute and the exercise and discretion of both the Company and the Vendor are impinged as the consummation of both the Put Option and the Call Option are subject to the approval of the Shareholders pursuant to the requirements under the Catalist Rules (if required) or any other applicable law under the SPA (as disclosed in paragraph 5.4 of the SPA Announcement). If such approval is not obtained, the sale of the Option Shares will not take place.

The Sponsor further took into account the following:

- (a) the Option Agreement is an ancillary term to the Transaction and is not the main subject of the Transaction, being the acquisition of 55% of the Clinic. The Transaction complies with Chapter 10 of the Catalist Rules, being a “discloseable transaction” under Chapter 10 of the Catalist Rules and is not subject to the approval of the Shareholders at a general meeting; and
- (b) Catalist Rule 1018 provided that the rule itself is “in addition to the other requirements in this Chapter 10” and accordingly, reference is made in particular to Catalist Rule 1006 to determine the category of transactions which the Put Option and the Call Option will fall in. Given that the Purchase Price for the Option Shares can only be determined at the relevant time in the future, the material information required to be disclosed in the circular to Shareholders under Chapter 10 of the Catalist Rules will not be available and Shareholders will then not be able to consider such material information in arriving at an informed decision whether to vote in favour or against the Option Agreement, thereby effectively negating the voting result. Accordingly, it is not commercially practicable nor is it meaningful to seek Shareholders’ approval now for the Option Agreement.

**By Order of the Board**

**Gwendolin Lee Soo Fern**  
**Company Secretary**  
**28 November 2024**

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

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this*

*announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Lim Hui Zheng, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.*