

Meta Health Limited

(formerly known as Metal Component Engineering Limited)
(Incorporated in the Republic of Singapore)
(Company Registration 198804700N)

ACQUISITION OF GAINHEALTH PTE. LTD. - PAYMENT OF PERFORMANCE BONUS

1. The board of directors (the “**Board**”) of Meta Health Limited (the “**Company**”) refers to:
 - (a) the Company’s circular to shareholders of the Company (“**Shareholders**”) dated 23 June 2021 (the “**Circular**”) in relation to the proposed acquisition of Gainhealth Pte. Ltd. (“**Gainhealth**”) (the “**Proposed Acquisition**”) and the proposed diversification into the healthcare business and the e-commerce business (the “**Proposed Diversification**”);
 - (b) the Company’s announcement dated 8 July 2021 in relation to the receipt of the approval in-principle for the listing and quotation of the new shares to be allotted and issued pursuant to the Proposed Acquisition;
 - (c) the Company’s announcement dated 8 July 2021 in relation to the results of the extraordinary general meeting held on 8 July 2021 where Shareholders approved the Proposed Acquisition and the Proposed Diversification;
 - (d) the Company’s announcement dated 13 July 2021 in relation to, *inter alia*, the completion of the Proposed Acquisition;
 - (e) the Company’s announcement dated 14 July 2021 in relation to the allotment and issuance of 5,743,243 new ordinary shares in the capital of the Company to the arranger;
 - (f) the Company’s announcement dated 15 July 2021 in relation to the partial payment of outstanding cash consideration to JPS; and
 - (g) the Company’s announcement dated 27 September 2021 in relation to the final payment of outstanding cash consideration to JPS.

Unless otherwise defined or the context otherwise requires, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Circular.

2. Pursuant to the terms and conditions of the SPA, subject to JPS procuring the Target’s fulfilment of the Performance Conditions, the Company has agreed to pay the Performance Bonus of up to S\$5,100,000 to the Vendors in the following manner:
 - (a) up to S\$4,360,000 in cash to be paid to JPS by way of cashier’s order, cheque, telegraphic transfer or such other payment method as the Company and JPS may agree in writing; and
 - (b) up to S\$740,000 by way of allotment and issuance of up to 20,000,000 new ordinary shares in the share capital of the Company (the “**Performance Shares**”) to the Vendors at an issue price per Performance Share to be determined based on the higher of either S\$0.037 or the VWAP for the full trading day prior to the date of the SPA, being S\$0.0364, and in the following manner:
 - (i) up to 16,305,406 Performance Shares to JPS;
 - (ii) up to 1,606,345 Performance Shares to FYJ; and
 - (iii) up to 2,088,248 Performance Shares to YKN.

3. The Performance Conditions according to the SPA are set out below:
- (a) JPS shall procure the fulfilment by the Target of achieving a valuation of not less than S\$11,600,000 within 12 months from the date falling 14 business days after the satisfaction or waiver of the conditions precedent under the SPA (the “**Performance Condition**”). The valuation shall be called by JPS and conducted by a valuer appointed by the Company (“**Second Valuation**”). The Performance Bonus shall be paid subject to the following conditions:
 - (i) In the event that the upper limit of the Second Valuation is not less than S\$11,600,000, the Performance Bonus shall be S\$5,100,000 to be paid to the Vendors, on a *pro rata* basis, in accordance with the allocation of Performance Bonus payable to JPS, FYJ and YKN. For the avoidance of doubt, the Company shall have the sole discretion to determine the proportion of Performance Bonus to be paid in cash and in the form of Performance Shares to each Vendor as long as the aggregate total cash to be paid and Performance Shares to be allotted and issued are within the total maximum limits as set out in Paragraph 2 above regardless of the allocation of cash and number of Performance Shares to each Vendor as set out in **Paragraph 2** above;
 - (ii) In the event that the upper limit of the Second Valuation is less than S\$11,600,000, the Performance Bonus shall be adjusted accordingly based on the formula set out below, to be paid to the Vendors, on a *pro-rata* basis, in accordance with the allocation of Performance Bonus payable to JPS, FYJ and YKN as set out in **Paragraph 2** above. For the avoidance of doubt, the Company shall have the sole discretion to determine the proportion of Performance Bonus to be paid in cash and in the form of Performance Shares to each Vendor as long as the aggregate total cash to be paid and Performance Shares to be allotted and issued are within the total maximum limits as set out in **Paragraph 2** above regardless of the allocation of cash and number of Performance Shares to each Vendor as set out in **Paragraph 2** above.

$$\text{[(95\% of the upper limit of the Second Valuation) x (85\%)] - S\$4,250,000}$$
 - (b) the Company obtaining such approval from the SGX-ST for the listing and quotation of the Performance Shares and such approval not having been amended or revoked.
4. The Board wishes to update Shareholders that, pursuant to the terms and conditions of the SPA, the Company has appointed Deloitte & Touche Financial Advisory Services Pte. Ltd. (“**Valuer**”) as the independent valuer to conduct a second valuation on 100% equity interest in the capital of Gainhealth and its subsidiaries (“**Gainhealth Group**”) (“**Second Valuation**”). As set out in the Second Valuation letter dated 5 May 2022 issued by the Valuer, based on the income approach with reference to the market approach, the indicative valuation of 100% equity interest in Gainhealth Group on a “non-marketable and control basis” ranges between **S\$7,300,000 to S\$8,600,000** as at 28 February 2022.
5. Given that the upper limit of the Second Valuation is less than S\$11,600,000, the Performance Bonus was adjusted accordingly based on the formula as set out in Paragraph 3(a)(ii) above, in accordance with the terms and conditions of the SPA. Accordingly, the Company will arrange for full payment of the total Performance Bonus of S\$2,694,500 (“**Actual Performance Bonus**”) in the following manner:
- (a) S\$2,622,277 to JPS in cash;
 - (b) S\$31,401, by way of allotment and issuance of 848,686 Performance Shares (“**FYJ Performance Shares**”) at an issue price of S\$0.037 per Performance Share to FYJ; and
 - (c) S\$40,822, by way of allotment and issuance of 1,103,291 Performance Shares (together with the FYJ Performance Shares, the “**Actual Performance Shares**”) at an issue price of S\$0.037 per Performance Share to YKN.

6. Pursuant to the Arranger Fee Agreement, the Company will be required to pay to the Arranger a consideration for her services of S\$134,725, equivalent to 5% of the Actual Performance Bonus, by way of the allotment and issuance of 3,641,217 new ordinary shares in the capital of the Company ("**Actual Additional Arranger Shares**") at an issue price of S\$0.037 per Actual Additional Arranger Share.
7. Shareholders should note that, as announced in the Company's announcement dated 8 July 2021, the Company has received approval in-principle from the SGX-ST for the listing and quotation ("**LQN**") of, *inter alia*, the following new shares in the capital of the Company pursuant to the Proposed Acquisition, subject to the fulfilment of the terms and conditions of the SPA and the Arranger Fee Agreement:
 - (i) up to 20,000,000 Performance Shares to be issued at S\$0.037 per Performance Share to be issued to the Vendors; and
 - (ii) up to 6,891,892 Additional Arranger Shares to be issued at S\$0.037 per Additional Arranger Share to be issued to the Arranger.

The LQN is not to be taken as an indication of the merits of the Proposed Acquisition, the Proposed Diversification, the Consideration Shares, the Performance Shares, the Arranger Shares, the Additional Arranger Shares, the Company and/or its subsidiaries.

8. An announcement will be made by the Company to update Shareholders on the payment of the Actual Performance Bonus, as well as the allotment and issuance of the Actual Performance Shares and the Actual Additional Arranger Shares in due course.
9. A copy of the Second Valuation letter will be available for inspection at the registered office of the Company located at 7030 Ang Mo Kio Avenue 5 #08-85 Northstar@AMK Singapore 569880 during normal business hours for three (3) months from the date of this announcement.

By Order of the Board

Lee Wei Hsiung
Company Secretary
6 May 2022

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

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

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.