

Meta Health Limited

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

ANNUAL GENERAL MEETING FOR FY2022 TO BE HELD ON 30 APRIL 2023

- RESPONSE TO QUESTIONS FROM A SHAREHOLDER

The board of directors (the “**Board**”) of Meta Health Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Notice of Annual General Meeting (“**Notice of AGM**”) for the financial year ended 31 December 2022 (“**FY2022**”) and the Company’s annual report for FY2022 (“**Annual Report**”), which were announced on 14 April 2023. The following is the Company’s response to the questions received in advance from a shareholder of the Company prior to the deadline stipulated in the Notice of AGM.

Unless otherwise defined, all capitalised terms used herein shall have the same meaning as ascribed to them in the Annual Report.

Question 1

Company’s core value is 3CT2. Trust is obviously lacking with the recent irregularities discovered in Gainhealth. I do not understand how can top management did not detect it at a much earlier stage. Are there no proper internal controls on the reporting structure from Gainhealth to 5Digital or that the head of each subsidiary can operate freely without proper controls?

Company’s response

The Company places an utmost importance on verifying clients and documentations with a strict scrutiny, and has proper internal controls in place. However, despite these efforts, the alleged irregularities in Gainhealth evaded detection as the compliance checks on clients and documentations appeared legitimate at the outset. The Company discovered the alleged irregularities concerning Gainhealth while it was following up on outstanding receivables and collections with the customers.

In light of the situation, the management of the Company (“**Management**”) conducted an investigation into the matter and was able to swiftly trace and contain the irregularities identified within Gainhealth. To prevent the recurrence of such issues, the Company has committed to further strengthen its internal controls within Gainhealth and 5Digital.

Question 2

The impact of Gainhealth irregularities can be very serious in terms of reputation and financially. Can the Company still able to recover and operate normally? Is it still business as usual? How can we still strive to be a region-leading healthcare innovator with this irregularity becoming an albatross around our necks? Are our key customers beginning to distance from the Company with this unexpected happening?

Company’s response

Based on internal investigations, the alleged irregularities pertain to a limited class of transactions after the acquisition of Gainhealth and contained there. These were discovered by the Company in the ordinary course of follow up on receivables. The Management had, out of an abundance of caution, checked to ensure that the other aspects of the healthcare business and the metal business are not affected.

Operations of the Group (including Gainhealth and 5Digital) are not affected and it is still business as usual, albeit with certain financial repercussions resulting from the events at Gainhealth, details as set out in the Company's announcement dated 14 April 2023 in relation to the qualified opinion by auditors on the audited financial statements for FY2022.

Despite these challenges, the Company remains committed to its vision of being a healthcare solutions provider. The Company is committed to providing innovative solutions to challenges in the healthcare industry.

In relation to our key customers for Gainhealth, the Company is working diligently to retain their trust and confidence. As at the date of this announcement, to the best of the Company's knowledge, there are no key customers distancing away from the Company. Notwithstanding, the Company is closely monitoring the situation and taking proactive steps to address any concerns that may arise, if any.

Question 3

The legacy metal business, although not doing well in recent years is still a brick-and-mortar business. With this irregularity, does the top management and the Board need to reassess and pivot fully into the healthcare business?

Company's response

While the recent challenges have caused disruptions to the Company's progress, the Company sees this as an opportunity to reassess the Group's overall business strategy and proceed with caution as the Company continues to expand its healthcare business.

Question 4

Given our weak financial strength, can the Company still function properly as a going concern?

Company's response

For purpose of the Group's audited financial statements for FY2022, the Board has concurred with the Management's assessment that the Company is able to continue as a going concern and the Group's audited financial statements for FY2022 have been prepared on a going concern basis. In addition, based on the Management's going concern assessment, the Company's auditors have not highlighted any material uncertainty or key audit matter relating to going concern. The Company continues to take proactive measures to manage its finances.

By Order of the Board

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

Koh Gim Hoe
Lead Independent Non-Executive
Director

25 April 2023

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 Catalyst.

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 Mr Alex Tan, Chief Executive Officer, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.