

# Meta Health Limited

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

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## MATERIAL VARIANCES BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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The board of directors (the “**Board**”) of Meta Health Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s following announcements: (i) the announcement on 28 February 2023 relating to the Group’s unaudited financial results for the financial year ended 31 December 2022 (“**FY2022**”) (the “**Unaudited Financial Statements**”); and (ii) the announcement on 12 April 2023 relating to the investigations by the Company into the Allegations (as defined therein) and the lodgment of the police report by the Company. Further reference is made to the audited consolidated financial statements of the Group for FY2022 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditors included in the Company’s annual report for FY2022 which will be released on the SGXNet and the Company’s corporate website on 14 April 2023.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to highlight that subsequent to the release of the Unaudited Financial Statements, following the finalisation of the audit and in view of the further checks and reviews conducted by the Company’s independent auditors, Foo Kon Tan LLP (“**Auditors**”), with the objective of verifying and detailing the nature and extent of the financial impact(s) which may result from the Allegations (“**Additional Work Done**”), the Auditors have proposed certain reclassifications and adjustments which the management of the Company has adopted accordingly in respect of the statements of financial position, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows in the Audited Financial Statements.

Details and explanations of the material variances between the Unaudited Financial Statements and the Audited Financial Statements are set out in the appendix appended to this announcement. Shareholders of the Company are advised to read this announcement in conjunction with the Audited Financial Statements in the Company’s annual report for FY2022, which will be released on 14 April 2023.

Shareholders and potential investors of the Company are advised to exercise caution in trading the shares of the Company. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

### 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

14 April 2023

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*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.*

**APPENDIX**

**META HEALTH LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

|   | The Group            |                        | Variance<br>S\$'000 | Note    | The Company          |                        | Variance<br>S\$'000 | Note     |
|---|----------------------|------------------------|---------------------|---------|----------------------|------------------------|---------------------|----------|
|   | S\$'000<br>(Audited) | S\$'000<br>(Unaudited) |                     |         | S\$'000<br>(Audited) | S\$'000<br>(Unaudited) |                     |          |
| <b>ASSETS</b>   |                      |                        |                     |         |                      |                        |                     |          |
| <b>Non-Current Assets</b>                                 |                      |                        |                     |         |                      |                        |                     |          |
| Property, plant and equipment                             | 2,483                | 2,483                  | -                   |         | 67                   | 67                     | -                   |          |
| Right-of-use assets                                       | 4,119                | 4,119                  | -                   |         | 5                    | 5                      | -                   |          |
| Subsidiaries  | -                    | -                      | -                   |         | 10,261               | 18,280                 | (8,019)             | 7        |
| Goodwill  | -                    | 6,330                  | (6,330)             | 8       | -                    | -                      | -                   |          |
| Other investment  | 405                  | 405                    | -                   |         | -                    | -                      | -                   |          |
| Deferred tax assets                                       | 64                   | 64                     | -                   |         | -                    | -                      | -                   |          |
|   | <u>7,071</u>         | <u>13,401</u>          |                     |         | <u>10,333</u>        | <u>18,352</u>          |                     |          |
| <b>Current Assets</b>                                     |                      |                        |                     |         |                      |                        |                     |          |
| Inventories   | 3,325                | 3,325                  | -                   |         | -                    | -                      | -                   |          |
| Trade and other receivables                               | 8,123                | 9,880                  | (1,757)             | 1,4,6,9 | 6,662                | 6,223                  | 439                 | 1,4,5,6  |
| Prepayments   | 431                  | 1,370                  | (939)               | 9       | 59                   | 59                     | -                   |          |
| Cash and bank balances                                    | 3,218                | 3,218                  | -                   |         | 530                  | 530                    | -                   |          |
|   | <u>15,097</u>        | <u>17,793</u>          |                     |         | <u>7,251</u>         | <u>6,812</u>           |                     |          |
| Assets of disposal group classified as held for sale      | -                    | -                      | -                   |         | -                    | -                      | -                   |          |
|   | <u>15,097</u>        | <u>17,793</u>          |                     |         | <u>7,251</u>         | <u>6,812</u>           |                     |          |
| <b>Total assets</b>                                       | <u>22,168</u>        | <u>31,194</u>          |                     |         | <u>17,584</u>        | <u>25,164</u>          |                     |          |
| <b>EQUITY AND LIABILITIES</b>                             |                      |                        |                     |         |                      |                        |                     |          |
| <b>Capital and Reserves</b>                               |                      |                        |                     |         |                      |                        |                     |          |
| Share capital   | 29,175               | 29,175                 | -                   |         | 29,175               | 29,175                 | -                   |          |
| Reserves  | (24,398)             | (15,406)               | (8,992)             | 8,9     | (22,244)             | (14,225)               | (8,019)             | 7        |
| <b>Total equity attributable to owners of the Company</b> | <u>4,777</u>         | <u>13,769</u>          |                     |         | <u>6,931</u>         | <u>14,950</u>          |                     |          |
| <b>Non-controlling interests</b>                          | <u>(62)</u>          | <u>(62)</u>            | -                   |         | <u>-</u>             | <u>-</u>               | -                   |          |
|   | <u>4,715</u>         | <u>13,707</u>          |                     |         | <u>6,931</u>         | <u>14,950</u>          |                     |          |
| <b>Non-Current Liabilities</b>                            |                      |                        |                     |         |                      |                        |                     |          |
| Borrowings  | 2,164                | 2,663                  | (499)               | 2       | 1,730                | 2,229                  | (499)               | 2        |
| Lease liabilities   | 1,369                | 1,369                  | -                   |         | -                    | -                      | -                   |          |
|   | <u>3,533</u>         | <u>4,032</u>           |                     |         | <u>1,730</u>         | <u>2,229</u>           |                     |          |
| <b>Current Liabilities</b>                                |                      |                        |                     |         |                      |                        |                     |          |
| Borrowings  | 3,695                | 3,146                  | 549                 | 2,4     | 2,137                | 1,240                  | 897                 | 2,3,4,10 |
| Lease liabilities   | 1,061                | 1,061                  | -                   |         | 63                   | 5                      | 58                  | 10       |
| Trade and other payables                                  | 8,864                | 8,948                  | (84)                | 1,6     | 6,672                | 6,689                  | (17)                | 1,3,5,6  |
| Provisions  | 123                  | 123                    | -                   |         | -                    | -                      | -                   |          |
| Current tax payables                                      | 5                    | 5                      | -                   |         | -                    | -                      | -                   |          |
| Contract liabilities                                      | 172                  | 172                    | -                   |         | 51                   | 51                     | -                   |          |
|   | <u>13,920</u>        | <u>13,455</u>          |                     |         | <u>8,923</u>         | <u>7,985</u>           |                     |          |
| Liabilities of disposal group classified as held for sale | -                    | -                      | -                   |         | -                    | -                      | -                   |          |
|   | <u>13,920</u>        | <u>13,455</u>          |                     |         | <u>8,923</u>         | <u>7,985</u>           |                     |          |
| <b>Total liabilities</b>                                  | <u>17,453</u>        | <u>17,487</u>          |                     |         | <u>10,653</u>        | <u>10,214</u>          |                     |          |
| <b>Total equity and liabilities</b>                       | <u>22,168</u>        | <u>31,194</u>          |                     |         | <u>17,584</u>        | <u>25,164</u>          |                     |          |

**Notes:**

- (1) Reclassification of amount from trade payables to trade receivables following finalisation of the audit.
- (2) Reclassification of borrowings amount from non-current to current following finalisation of the audit.
- (3) Reclassification of intercompany balance from other payables to borrowings following finalisation of the audit.
- (4) Reclassification of amount from borrowings to trade receivables following finalisation of the audit.
- (5) Reclassification of intercompany balance from other payables to other receivables following finalisation of the audit.
- (6) Reclassification of amount to offset trade receivables against accrued sales return following finalisation of the audit.
- (7) Adjustment for impairment of investment in subsidiaries related to the Healthcare business segment (as defined in the Unaudited Financial Statements), in view of the Additional Work Done by the Auditors arising from the Allegations. Please refer to the section entitled "Results of Additional Work Done" on page 8 of this announcement for more information.

## **APPENDIX**

### **META HEALTH LIMITED**

- (8) Adjustment for impairment of goodwill related to the Healthcare business segment, in view of the Additional Work Done by the Auditors arising from the Allegations. Please refer to the section entitled "Results of Additional Work Done" on page 8 of this announcement for more information.
- (9) Adjustment of revenue, cost of sales, trade receivables and prepayment related to the Healthcare business segment, in view of the Additional Work Done by the Auditors arising from the Allegations. Please refer to the section entitled "Results of Additional Work Done" on page 8 of this announcement for more information.
- (10) Reclassification of amount from borrowings to lease liabilities following finalisation of the audit.

## META HEALTH LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

|   | The Group            |                        | Variance | Note |
|---|----------------------|------------------------|----------|------|
|   | S\$'000<br>(Audited) | S\$'000<br>(Unaudited) | S\$'000  |      |
| Revenue   | 33,790               | 37,566                 | (3,776)  | 1    |
| Other income  | 222                  | 222                    | -        |      |
| Raw materials and consumables used  | (18,939)             | (21,901)               | 2,962    | 1    |
| Changes in inventories of finished goods and work in progress   | 99                   | 99                     | -        |      |
| Employee benefits expense   | (11,876)             | (11,249)               | (627)    | 2    |
| Depreciation of property, plant and equipment   | (1,218)              | (1,218)                | -        |      |
| Depreciation of right-of-use assets   | (1,409)              | (1,409)                | -        |      |
| Impairment losses on trade and other receivables  | (760)                | (760)                  | -        |      |
| Other charges   | (478)                | (1,823)                | 1,345    | 1,2  |
| Finance costs   | (529)                | (529)                  | -        |      |
| Other operating expenses  | (7,613)              | (5,768)                | (1,845)  | 1    |
| <b>Loss before taxation</b>   | <b>(8,711)</b>       | <b>(6,770)</b>         |          |      |
| Taxation  | (100)                | (100)                  | -        |      |
| <b>Loss for the year</b>  | <b>(8,811)</b>       | <b>(6,870)</b>         |          |      |
| <b>Other comprehensive loss after tax:</b>  |                      |                        |          |      |
| <b>Items that may be reclassified subsequently to profit or loss</b>                                      |                      |                        |          |      |
| Currency translation differences  | (492)                | (492)                  | -        |      |
| Fair value through OCI*   | (2,070)              | (2,070)                | -        |      |
| Cumulative translation differences derecognised relating to disposal of group classified as held for sale | -                    | -                      | -        |      |
| Cumulative income derecognised relating to disposal of group classified as held for sale                  | -                    | -                      | -        |      |
| <b>Other comprehensive loss for the year, net of tax</b>  | <b>(2,562)</b>       | <b>(2,562)</b>         |          |      |
| <b>Total comprehensive loss for the year attributable to owners of the Company</b>                        | <b>(11,373)</b>      | <b>(9,432)</b>         |          |      |
| <b>Loss attributable to:</b>  |                      |                        |          |      |
| Equity holders of the Company   | (8,757)              | (6,816)                | (1,941)  | 1    |
| Non-controlling interests   | (54)                 | (54)                   | -        |      |
|   | <b>(8,811)</b>       | <b>(6,870)</b>         |          |      |
| <b>Total comprehensive loss attributable to:</b>  |                      |                        |          |      |
| Equity holders of the Company   | (11,319)             | (9,378)                | (1,941)  | 1    |
| Non-controlling interests   | (54)                 | (54)                   | -        |      |
|   | <b>(11,373)</b>      | <b>(9,432)</b>         |          |      |
| <b>Loss per share attributable to owners of the Company (Singapore cent)</b>                              |                      |                        |          |      |
| - Basic <sup>(1)</sup>  | (1.64)               | (1.29)                 | (0.35)   | 1    |
| - Diluted <sup>(2)</sup>  | (1.64)               | (1.28)                 | (0.36)   | 1    |

\*OCI denotes other comprehensive income

(1) The basic earnings per share was calculated based on weighted average number of shares in issue of 533,127,054.

(2) The diluted earnings per share was calculated based on weighted average number of shares in issue of 533,127,054.

**META HEALTH LIMITED**

**Notes:**

- (1) Adjustment of revenue, cost of sales, trade receivables, prepayment and impairment of goodwill related to the Healthcare business segment, in view of the Additional Work Done by the Auditors arising from the Allegations. Please refer to the section entitled "Results of Additional Work Done" on page 8 of this announcement for more information.
- (2) Reclassification of amount from other charges to employee benefits expense following finalisation of the audit.

**APPENDIX**

**META HEALTH LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

|  | The Group            |                        | Variance<br>S\$'000 | Note    |
|--|----------------------|------------------------|---------------------|---------|
|  | S\$'000<br>(Audited) | S\$'000<br>(Unaudited) |                     |         |
| <b>Cash Flows from Operating Activities</b>                      |                      |                        |                     |         |
| Loss before taxation   | (8,711)              | (6,770)                | (1,941)             | 1       |
| Adjustments for:   |                      |                        | -                   |         |
| Depreciation of property, plant and equipment                    | 1,218                | 1,218                  | -                   |         |
| Depreciation of right-of-use assets                              | 1,409                | 1,409                  | -                   |         |
| Impairment of property, plant equipment                          | 120                  | 120                    | -                   |         |
| Impairment of goodwill   | -                    | 718                    | (718)               | 1       |
| Gain on disposal of subsidiary                                   | -                    | -                      | -                   |         |
| Gain on disposal of property, plant and equipment                | (163)                | (163)                  | -                   |         |
| Gain on disposal of right-of-use assets                          | (3)                  | (3)                    | -                   |         |
| Impairment losses on trade and other receivables                 | 760                  | 760                    | -                   |         |
| Interest expense on borrowings                                   | 314                  | 314                    | -                   |         |
| Interest expense on lease liabilities                            | 215                  | 215                    | -                   |         |
| Interest expense from contingent consideration payable           | -                    | -                      | -                   |         |
| Interest income  | (34)                 | (34)                   | -                   |         |
| Tax expense  | -                    | -                      | -                   |         |
| Share base payment expenses                                      | 627                  | 627                    | -                   |         |
| Write-down of inventories reversed                               | (11)                 | (11)                   | -                   |         |
| <b>Operating loss before working capital changes</b>             | <b>(4,259)</b>       | <b>(1,600)</b>         |                     |         |
| Changes in inventories   | 876                  | 876                    | -                   |         |
| Changes in trade and other receivables                           | 3,763                | 2,006                  | 1,757               | 1,2,3,4 |
| Changes in prepayments   | 128                  | (811)                  | 939                 | 1       |
| Changes in trade and other payables                              | (2,659)              | (2,575)                | (84)                | 2,3     |
| Changes in contract liabilities                                  | (67)                 | (67)                   | -                   |         |
| <b>Net cash used in operations</b>                               | <b>(2,218)</b>       | <b>(2,171)</b>         |                     |         |
| Income taxes paid  | (30)                 | (30)                   | -                   |         |
| <b>Net cash used in operating activities</b>                     | <b>(2,248)</b>       | <b>(2,201)</b>         |                     |         |
| <b>Cash Flows from Investing Activities</b>                      |                      |                        |                     |         |
| Acquisition of unquoted equity investment                        | (200)                | (200)                  | -                   |         |
| Acquisition of a subsidiary, net of cash acquired                | -                    | -                      | -                   |         |
| Acquisition of non-controlling interest                          | (400)                | (400)                  | -                   |         |
| Contingent consideration paid                                    | (2,622)              | (2,622)                | -                   |         |
| Deposit paid   | -                    | -                      | -                   |         |
| Interest received  | 34                   | 34                     | -                   |         |
| Net proceeds from last tranche payment                           | -                    | -                      | -                   |         |
| Net proceeds from disposal of subsidiary                         | -                    | -                      | -                   |         |
| Proceeds from disposal of property, plant and equipment          | 1,031                | 1,031                  | -                   |         |
| Proceeds from disposal of right-of-use assets                    | -                    | -                      | -                   |         |
| Purchase of property, plant and equipment                        | (494)                | (494)                  | -                   |         |
| Purchase of right-of-use assets                                  | -                    | -                      | -                   |         |
| <b>Net cash used in investing activities</b>                     | <b>(2,651)</b>       | <b>(2,651)</b>         |                     |         |
| <b>Cash Flows from Financing Activities</b>                      |                      |                        |                     |         |
| Changes in bank deposit pledged                                  | 108                  | 108                    | -                   |         |
| Interest paid  | (529)                | (529)                  | -                   |         |
| Proceeds from issuance of shares                                 | -                    | -                      | -                   |         |
| Proceed from share option exercise                               | -                    | -                      | -                   |         |
| Net proceeds of borrowings                                       | 346                  | 294                    | 52                  | 4       |
| Repayment of borrowings  | -                    | -                      | -                   |         |
| Repayment of lease liabilities                                   | (1,829)              | (1,829)                | -                   |         |
| <b>Net cash used in financing activities</b>                     | <b>(1,904)</b>       | <b>(1,956)</b>         |                     |         |
| Net decrease in cash and cash equivalents                        | <b>(6,803)</b>       | <b>(6,808)</b>         | 5                   |         |
| Cash and cash equivalents at beginning of year                   | 10,162               | 10,162                 | -                   |         |
| Exchange differences on translation of cash and cash equivalents | (141)                | (136)                  | (5)                 |         |
| Cash and cash equivalents at end of year                         | <b>3,218</b>         | <b>3,218</b>           |                     |         |

## **APPENDIX**

### **META HEALTH LIMITED**

#### **Notes:**

- (1) Adjustment of revenue, cost of sales, trade receivables, prepayment and impairment of goodwill related to the Healthcare business segment, in view of the Additional Work Done by the Auditors arising from the Allegations. Please refer to the section entitled "Results of Additional Work Done" below for more information.
- (2) Reclassification of amount from trade payables to trade receivables following finalisation of the audit.
- (3) Reclassification of amount to offset trade receivables against accrued sales return following finalisation of the audit.
- (4) Reclassification of amount from borrowings to trade receivables following finalisation of the audit.

#### **Results of Additional Work Done**

In March 2023, the management of the Group discovered some irregularities concerning Gainhealth Pte. Ltd. ("**Gainhealth**") when they were following up on outstanding receivables and collections for the financial year ended 31 December 2022, to render these transactions invalid. In addition the following were affected:

##### At the Group:

- Reversals of sales, purchases, write off of receivables and recognition of other charges;
- Reassessment of impairment of the goodwill arising from the acquisition of Gainhealth in July 2021;
- Reassessment of impairment of the non-financial assets recorded in Gainhealth for which no impairment is expected; and

##### At the Company:

- Reassessment of impairment of the investment in the wholly-owned subsidiary, 5Digital Pte. Ltd., which holds 100% equity interest in Gainhealth.