

Meta Health Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198804700N)

MATERIAL VARIANCES BETWEEN THE UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The board of directors (the “**Board**”) of Meta Health Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 29 February 2024 relating to the Group’s unaudited consolidated financial statements for the financial year ended 31 December 2023 (“**FY2023**”) (the “**Unaudited Financial Statements**”). Further reference is made to the audited consolidated financial statements of the Group for FY2023 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditors included in the Company’s annual report for FY2023 (“**2023 Annual Report**”) which will be released on the SGXNet and the Company’s corporate website on 13 April 2024.

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 announce that subsequent to the release of the Unaudited Financial Statements, following the finalisation of the audit for FY2023 and in view of the further checks and reviews conducted by the Company’s independent auditors, Foo Kon Tan LLP (“**Auditors**”), the Auditors have noted 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 2023 Annual Report, which will be released on 13 April 2024.

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

12 April 2024

*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.

META HEALTH LIMITED

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

| | The Group | | Variance S\$'000 | Note | The Company | | Variance S\$'000 | Note |
|---|----------------------|------------------------|---------------------|-------|----------------------|------------------------|---------------------|------|
| | S\$'000 (Audited) | S\$'000 (Unaudited) | | | S\$'000 (Audited) | S\$'000 (Unaudited) | | |
| ASSETS | | | | | | | | |
| Non-Current Assets | | | | | | | | |
| Property, plant and equipment | 66 | 66 | - | | 57 | 57 | - | |
| Right-of-use assets | 30 | 30 | - | | 30 | 30 | - | |
| Other investments | 18 | 23 | (5) | 1 | - | - | - | |
| Subsidiaries | - | - | - | | 2,980 | 2,980 | - | |
| Goodwill | - | - | - | | - | - | - | |
| Deferred tax assets | - | - | - | | - | - | - | |
| | <u>114</u> | <u>119</u> | | | <u>3,067</u> | <u>3,067</u> | | |
| Current Assets | | | | | | | | |
| Inventories | 14 | 14 | - | | - | - | - | |
| Trade and other receivables | 1,169 | 1,094 | 75 | 2,3,4 | 2,014 | 2,044 | (30) | 4 |
| Prepayments | 64 | 320 | (256) | 2 | 62 | 62 | - | |
| Cash and bank balances | 3,366 | 3,366 | - | | 1,215 | 1,215 | - | |
| | <u>4,613</u> | <u>4,794</u> | | | <u>3,291</u> | <u>3,321</u> | | |
| Assets of disposal group classified as held-for-sale | 3,248 | 3,072 | 176 | 5,6 | - | - | - | |
| | <u>7,861</u> | <u>7,866</u> | | | <u>3,291</u> | <u>3,321</u> | | |
| Total assets | <u>7,975</u> | <u>7,985</u> | | | <u>6,358</u> | <u>6,388</u> | | |
| EQUITY AND LIABILITIES | | | | | | | | |
| Capital and Reserves | | | | | | | | |
| Share capital | 31,663 | 31,663 | - | | 31,663 | 31,663 | - | |
| Reserves | (32,159) | (32,136) | (23) | 1,3,6 | (36,455) | (36,455) | - | |
| Total equity attributable to owners of the Company | <u>(496)</u> | <u>(473)</u> | | | <u>(4,792)</u> | <u>(4,792)</u> | | |
| Non-controlling interest | <u>4</u> | <u>4</u> | | | <u>-</u> | <u>-</u> | | |
| Total equity | <u>(492)</u> | <u>(469)</u> | | | <u>(4,792)</u> | <u>(4,792)</u> | | |
| Non-Current Liabilities | | | | | | | | |
| Borrowings | 1,521 | 1,521 | - | | 646 | 646 | - | |
| Lease liabilities | - | - | - | | - | - | - | |
| | <u>1,521</u> | <u>1,521</u> | | | <u>646</u> | <u>646</u> | | |
| Current Liabilities | | | | | | | | |
| Borrowings | 2,408 | 2,408 | - | | 1,986 | 1,986 | - | |
| Lease liabilities | 30 | 30 | - | | 30 | 30 | - | |
| Trade and other payables | 1,599 | 1,610 | (11) | 4 | 8,488 | 8,518 | (30) | 4 |
| Provisions | - | - | - | | - | - | - | |
| Contract liabilities | - | - | - | | - | - | - | |
| Current tax payable | 5 | 5 | - | | - | - | - | |
| | <u>4,042</u> | <u>4,053</u> | | | <u>10,504</u> | <u>10,534</u> | | |
| Liabilities of disposal group classified as held-for-sale | 2,904 | 2,880 | 24 | 5 | - | - | - | |
| | <u>6,946</u> | <u>6,933</u> | | | <u>10,504</u> | <u>10,534</u> | | |
| Total liabilities | <u>8,467</u> | <u>8,454</u> | | | <u>11,150</u> | <u>11,180</u> | | |
| Total equity and liabilities | <u>7,975</u> | <u>7,985</u> | | | <u>6,358</u> | <u>6,388</u> | | |

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Notes:

- (1) Adjustment for additional fair value loss in equity investment at fair value through other comprehensive income, in relation to other investment in 5Digital Pte. Ltd.
- (2) Reclassification of amount from prepayment to other receivables.
- (3) Adjustment of legal and professional fee incurred in relation to the disposal of MCE Technologies (Suzhou) Co., Ltd., from other receivables to profit and loss.
- (4) Reclassification of amount from other payables to other receivables.
- (5) Reclassification of amount from assets of disposal group classified as held-for-sale to liabilities of disposal group classified as held-for-sale.
- (6) Adjustment for reversal of impairment of net assets of disposal group classified as held-for-sale.

APPENDIX

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | The Group | | Variance S\$'000 | Note |
|---|----------------------|------------------------|---------------------|---------------|
| | S\$'000 (Audited) | S\$'000 (Unaudited) | | |
| Continuing operations | | | | |
| Revenue | 4,613 | 393 | 4,220 | 1,2 |
| Other income | 88 | 129 | (41) | 2 |
| Raw materials and consumables used | (3,822) | (300) | (3,522) | 1,2,3 |
| Changes in inventories of finished goods | 34 | - | 34 | 3 |
| Employee benefits expense | (2,679) | (1,549) | (1,130) | 2 |
| Depreciation of property, plant and equipment | (28) | (28) | - | |
| Depreciation of right-of-use assets | (47) | (47) | - | |
| Impairment of goodwill | (98) | (75) | (23) | 4 |
| Expected credit losses on trade and other receivables | (116) | (62) | (54) | 1,5 |
| Other gains and losses | (131) | 427 | (558) | 1,2 |
| Finance costs | (295) | (272) | (23) | 2 |
| Other operating expenses | (850) | (1,434) | 584 | 1,2,5,6 |
| Loss before taxation | <u>(3,331)</u> | <u>(2,818)</u> | | |
| Tax expense | - | - | - | |
| Loss from continuing operations for the year | <u>(3,331)</u> | <u>(2,818)</u> | | |
| Loss from discontinued operations for the year | <u>(5,011)</u> | <u>(5,218)</u> | 207 | 2,7 |
| Loss for the year | <u>(8,342)</u> | <u>(8,036)</u> | | |
| Other comprehensive income: | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Currency translation differences - Foreign operations | (401) | (401) | - | |
| Currency translation differences - Reclassified to profit or loss on disposal of subsidiaries | 1,147 | 1,147 | - | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Change in fair value of equity investments at fair value through other comprehensive income | (387) | (382) | (5) | 8 |
| Other comprehensive loss for the year, net of tax | <u>359</u> | <u>364</u> | | |
| Total comprehensive loss for the year | <u>(7,983)</u> | <u>(7,672)</u> | | |
| Loss attributable to: | | | | |
| Owners of the Company | | | | |
| Continuing operations | (3,397) | (2,884) | (513) | 1,2,3,4,5,6,8 |
| Discontinued operations | (5,011) | (5,218) | 207 | 2,7 |
| | <u>(8,408)</u> | <u>(8,102)</u> | | |
| Non-controlling interest | | | | |
| Continuing operations | 66 | 66 | - | |
| | <u>(8,342)</u> | <u>(8,036)</u> | | |
| Total comprehensive loss attributable to: | | | | |
| Owners of the Company | | | | |
| Continuing operations | (3,833) | (3,307) | (526) | 1,2,3,4,5,6,8 |
| Discontinued operations | (4,216) | (4,431) | 215 | 2,7 |
| | <u>(8,049)</u> | <u>(7,738)</u> | | |
| Non-controlling interest | | | | |
| Continuing operations | 66 | 66 | - | |
| | <u>(7,983)</u> | <u>(7,672)</u> | | |
| Loss per share attributable to owners of the Company (Singapore cent) | | | | |
| Continuing and discontinued operations | | | | |
| - Basic | (1.31) | (1.26) | (0.05) | 1 to 8 |
| - Diluted | (1.31) | (1.26) | (0.05) | 1 to 8 |
| Continuing operations | | | | |
| - Basic | (0.53) | (0.45) | (0.08) | 1,2,3,4,5,6,8 |
| - Diluted | (0.53) | (0.45) | (0.08) | 1,2,3,4,5,6,8 |
| Discontinued operations | | | | |
| - Basic | (0.78) | (0.81) | 0.03 | 2,7 |
| - Diluted | (0.78) | (0.81) | 0.03 | 2,7 |

(1) The basic and diluted earnings per share was calculated based on weighted average number of shares in issue of 642,514,775.

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Notes:

- (1) Prior period adjustments in relation to (i) irregularities concerning Gainthealth Pte. Ltd. ("**Irregularities**"); and (ii) certain carrying amount of assets and liabilities in the Group's Metal Business segment as at 31 December 2022 and as at 31 December 2021 as they were not expensed or credited into profit or loss although their related transactions had ended.
Please refer to (i) Note 39 of the Audited Financial Statements in the Company's 2023 Annual Report for information on the Irregularities, and (ii) Note 40 to the Audited Financial Statements in the Company's 2023 Annual Report for information on prior period corrections and reclassifications.
- (2) Certain profit and loss items such as revenue, other income, raw materials and consumables, employee benefits expenses, other gain loss, finance costs and other operating expenses were previously classified in discontinuing operation, now reclassified to continuing operation.
- (3) Reclassification of amount from raw materials and consumables used to changes in inventories of finished goods.
- (4) Adjustment for goodwill in relation to acquisition of TS Medical (City Gate) Pte. Ltd. during FY2023.
- (5) Reclassification of amount from other operating expenses to expected credit losses on trade and other receivables.
- (6) Adjustment for legal and professional fees incurred in relation to the disposal of MCE Technologies (Suzhou) Co., Ltd., from other receivables (balance sheet) to other operating expenses (profit and loss) as it should have been recognised as expenses.
- (7) Adjustment for reversal of impairment of assets of disposal group classified as held-for-sale.
- (8) Adjustment for additional fair value loss in equity investment at fair value through other comprehensive income, in relation to other investment in 5Digital Pte. Ltd..

APPENDIX

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | The Group | | Variance S\$'000 | Note |
|--|----------------------|------------------------|---------------------|---------------|
| | S\$'000 (Audited) | S\$'000 (Unaudited) | | |
| Cash Flows from Operating Activities | | | | |
| Loss before taxation from continuing operations | (3,331) | (2,818) | (513) | 1 |
| Loss before taxation from discontinued operations | <u>(4,986)</u> | <u>(5,193)</u> | 207 | 1 |
| Loss before taxation | <u>(8,317)</u> | <u>(8,011)</u> | | |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 659 | 659 | - | |
| Depreciation of right-of-use assets | 871 | 871 | - | |
| Loss on disposal of property, plant and equipment | 372 | 372 | - | |
| Loss on disposal of right-of-use assets | 59 | 59 | - | |
| Property, plant equipment write-off | 26 | 26 | - | |
| Loss on disposal of subsidiaries | 1,372 | 1,372 | - | |
| Loss on re-measurement of disposal group classified as held for sale | 2,108 | 2,517 | (409) | 2,3 |
| Impairment of goodwill | 98 | 75 | 23 | 4 |
| Impairment of property, plant and equipment | 31 | 31 | - | |
| Write-down of inventories made | 13 | 13 | - | |
| Expected credit losses on trade and other receivables | 373 | 136 | 237 | 3,5 |
| Bad debts write-off | 58 | - | 58 | 6 |
| Interest expense on borrowings | 318 | 308 | 10 | 12 |
| Interest expense on lease liabilities | 74 | 84 | (10) | 12 |
| Interest income | (5) | - | (5) | |
| Operating loss before working capital changes | <u>(1,890)</u> | <u>(1,488)</u> | | |
| Changes in inventories | 517 | 517 | - | |
| Changes in trade and other receivables | 99 | 187 | (88) | 5,6,7,9,10,14 |
| Changes in prepayments | 370 | (664) | 1,034 | 8,10 |
| Changes in trade and other payables | (1,387) | (1,578) | 191 | 9,11,14 |
| Changes in contract liabilities | 49 | - | 49 | 11 |
| Cash used in operations | <u>(2,242)</u> | <u>(3,026)</u> | | |
| Income taxes paid | - | - | - | |
| Net cash used in operating activities | <u>(2,242)</u> | <u>(3,026)</u> | | |
| Cash Flows from Investing Activities | | | | |
| Acquisition of a subsidiary, net of cash acquired | (59) | (59) | - | |
| Net proceeds from disposal of subsidiaries | 4,531 | 4,531 | - | |
| Proceeds from disposal of property, plant and equipment | 632 | 632 | - | |
| Purchase of property, plant and equipment | (414) | (417) | 3 | |
| Interest received | 5 | - | 5 | |
| Net cash generated from investing activities | <u>4,695</u> | <u>4,687</u> | | |
| Cash Flows from Financing Activities | | | | |
| Proceeds from issuance of shares | 2,488 | 2,488 | - | |
| Proceeds from borrowing | 5,257 | 5,253 | 4 | |
| Repayment of borrowings | (6,851) | (6,073) | (778) | 8 |
| Repayment of lease liabilities | (781) | (767) | (14) | 13 |
| Interest paid | (392) | (392) | - | |
| Net cash (used in)/generated from financing activities | <u>(279)</u> | <u>509</u> | | |
| Net increase in cash and cash equivalents | 2,174 | 2,170 | 4 | |
| Cash and cash equivalents at beginning of year | 3,218 | 3,218 | - | |
| Exchange differences on translation of cash and cash equivalents | (228) | (224) | (4) | |
| Cash and cash equivalents at end of year | <u>5,164</u> | <u>5,164</u> | | |

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Notes:

- (1) Variance was due to reclassifications/adjustments made in the statements of financial position, and statement of profit or loss and other comprehensive income.
- (2) Adjustment for reversal of impairment of assets of disposal group classified as held-for-sale.
- (3) Reclassification of amount from loss on re-measurement of disposal group classified as held for sale to expected credit losses on trade and other receivables.
- (4) Adjustment for goodwill in relation to acquisition of TS Medical (City Gate) Pte. Ltd.
- (5) Adjustment for expected credit losses on trade and other receivables, due to over provision.
- (6) Reclassification of amount from changes in trade and other receivables to bad debts write-off.
- (7) Adjustment for legal and professional fees incurred in relation to the disposal of MCE Technologies (Suzhou) Co., Ltd., from other receivables (balance sheet) to other operating expenses (profit and loss) as it should have been recognised as expenses.
- (8) Reclassification of amount from repayment of borrowings to prepayment.
- (9) Reclassification of amount from other payables to other receivables.
- (10) Reclassification of amount from prepayment to other receivables.
- (11) Reclassification of amount from trade payables to contract liabilities.
- (12) Reclassification of amount from interest expense on lease liabilities to interest expense on borrowings.
- (13) Adjustment of cash payment of lease liabilities in consolidated statement of cash flows for the financial year ended 31 December 2023.
- (14) Changes due to prior period adjustments. Please refer to Note 40 to the Audited Financial Statements in the Company's 2023 Annual Report for information on prior period corrections and reclassifications.