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MediNet Group Limited

醫匯集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8161)

DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF NOTES

SUBSCRIPTION OF NOTES

The Board announces that on 20 July 2016, the Subscriber entered into the Placing Letter A with Convoy Asset Management, as placing agent, in relation to the subscription of the Jun Yang Notes in the principal amount of HK\$5,000,000. The Jun Yang Notes bear an annual interest rate of 8% with a term of two years.

On 20 July 2016, the Subscriber also entered into the Placing Letter B with Convoy Asset Management, as placing agent, in relation to the subscription of First Credit Notes in the principal amount of HK\$8,000,000. The First Credit Notes bear an annual interest rate of 4.5% with a term of two years.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratio under the GEM Listing Rules in respect of each of Subscription A and Subscription B is more than 5% but less than 25%, each of them constitutes a discloseable transaction for the Company. Therefore, the Company is subject to notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

SUBSCRIPTION OF NOTES

On 20 July 2016, the Subscriber and Convoy Asset Management, as placing agent, entered into (i) the Placing Letter A in relation to the subscription of Jun Yang Notes by the Subscriber in the principal amount of HK\$5,000,000; and (ii) the Placing Letter B in relation to the subscription of First Credit Notes by the Subscriber in the principal amount of HK\$8,000,000.

As at the date of this announcement, Jun Yang was interested in (i) approximately 9.93% of the equity interest of Convoy Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1019) (“**Convoy Financial**”); and (ii) approximately 9.65% of the equity interest of First Credit.

As at the date of this announcement, Convoy Financial was interested in the entire equity interest in Convoy Fund Management Limited (“**Convoy Fund Management**”), which was in turn interested in the entire management shares (with exclusive voting rights) in NSD Capital. NSD Capital is an exempted company incorporated in the Cayman Islands with limited liability on 17 August 2015 and a substantial Shareholder holding approximately 18.75% of the issued share capital of the Company as at the date of this announcement. Therefore, each of Convoy Fund Management and Convoy Financial was indirectly interested in the Shares held by NSD Capital.

Furthermore, as at the date of this announcement, Convoy Financial was interested in the entire equity interest in Convoy Asset Management. Therefore, Convoy Asset Management is a connected person of the Company.

Pursuant to the Placing Letter A and the Placing Letter B, no commission/fee is payable by the Subscriber to Convoy Asset Management in relation to the Subscription A and Subscription B. The subscription moneys under Subscription A and Subscription B are paid to designated bank account of Convoy Asset Management which will then be paid to Jun Yang and First Credit.

A. SUBSCRIPTION A

The principal terms of the Placing Letter A and the Jun Yang Notes are set out below:

Notes issuer:	Jun Yang
Subscriber:	The Subscriber
Subscription amount:	HK\$5,000,000
Issue date:	The date of the issuance of the Jun Yang Notes.
Status of the Jun Yang Notes:	The notes constitute direct, unconditional, unsubordinated, unsecured obligations of Jun Yang and rank equally and without any preference amongst themselves. The payment obligations of Jun Yang under the Jun Yang Notes will (subject to any obligations preferred by mandatory provisions of law) rank at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of Jun Yang.
Issue price:	100% of the principal amount of the Jun Yang Notes. The issue price was determined with reference to the principal amount of the Jun Yang Notes.

- Interest:** 8% per annum; interest will accrue on the Jun Yang Notes from and including the issue date until and including the date on which the Jun Yang Notes are redeemed and shall be payable quarterly.
- Listing:** No application will be made for the listing of the Jun Yang Notes on any stock exchange.
- Maturity date:** The second anniversary of the date of the issuance of the Jun Yang Notes (or where such day is not a business day, the immediately preceding business day).
- Redemption:** Unless the Jun Yang Notes are redeemed prior to the maturity date, Jun Yang shall redeem the Jun Yang Notes on the maturity date at the Redemption Price.
- Early redemption:** At any time after the expiry of the first anniversary of the date of the issuance of the Jun Yang Notes, Jun Yang may by giving not less than one month's prior written notice to the holders to notify the holders Jun Yang's intention to redeem the Jun Yang Notes, or any part thereof outstanding on a business day specified in such notice. On the day specified in such notice, Jun Yang shall pay to the holder(s) the relevant Redemption Price.
- Transferability:** The Jun Yang Notes are freely transferable (in whole or in part) by the holder to any Person subject to compliance with all applicable laws and terms and conditions of the Jun Yang Notes, and any transfer of the Jun Yang Notes must be in respect of the whole or any part provided that where the transfer is in respect of part of the Jun Yang Notes only, such transfer must be in respect of a minimum principal amount of HK\$600,000 and for any amount exceeding HK\$600,000, such principal amount must be an integral multiple of HK\$100,000 of the Jun Yang Notes. No consent of Jun Yang is required for any transfer of the Jun Yang Notes to any Person, provided that no transfer shall be made to a connected person (as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange) of Jun Yang.

Events of default:

Upon the occurrence of any of the following events, the holder shall be entitled to require, by lodging a notice of repayment at the specified address of Jun Yang, the Jun Yang Notes registered in the holder's name to be redeemed at the Redemption Price, which at the time of the notice shall become immediately due and payable:

- (i) Any failure by Jun Yang to pay the principal, and/or any interest due and payable under the Jun Yang Notes on its due date in the manner specified in the terms and conditions of the Jun Yang Notes and such default is not remedied by Jun Yang within 10 business days of the due date;
- (ii) It becomes illegal under any applicable laws for Jun Yang to perform or comply with any one or more of its obligations under the Jun Yang Notes or any enforceable final ruling is rendered by a competent court to the effect that any obligation of Jun Yang under the Jun Yang Notes is illegal or invalid;
- (iii) An encumbrancer takes possession or a receiver, manager or other similar officer is appointed of all or a substantial part of the undertaking, property or assets of Jun Yang;
- (iv) Jun Yang becomes insolvent or applies for or consents to the appointment of any administrator, liquidator or receiver of all or a substantial part of its undertaking, property or assets or enters into a general assignment or compromise with or for the benefit of its creditors;
- (v) An order is made or an effective resolution passed for winding-up of Jun Yang;
- (vi) Jun Yang consolidates or amalgamates with or merge into any other corporation (other than a consolidation, amalgamation or merger in which Jun Yang is the continuing corporation), or Jun Yang sells or transfers all or substantially all of its assets;

- (vii) Jun Yang defaults in performance or compliance with any of its obligations of the terms and conditions of the Jun Yang Notes which breach or default is incapable of remedy or is not remedied within 14 business days after notice of such breach or default is sent from the holder to Jun Yang;
- (viii) A moratorium is agreed or declared in respect of any indebtedness of Jun Yang or any government authority seizes, compulsorily purchases or expropriates all or a substantial part of the undertaking, property or assets of Jun Yang;
- (ix) Jun Yang submits a notification to the Stock Exchange of its proposed cancellation of the listing of its shares;
- (x) Jun Yang's shareholders approve a resolution to delist Jun Yang from the Main Board of the Stock Exchange; or
- (xi) Jun Yang ceases to be listed on the Main Board of the Stock Exchange.

B. SUBSCRIPTION B

The principal terms of the Placing Letter B and the First Credit Notes are set out below:

Notes issuer:	First Credit
Subscriber:	The Subscriber
Subscription amount:	HK\$8,000,000
Issue date:	The date of the issuance of the First Credit Notes. The issue price was determined with reference to the principal amount of the First Credit Notes.
Status of the First Credit Notes:	The notes constitute direct, unconditional, unsubordinated, unsecured obligations of First Credit and rank equally and without any preference amongst themselves. The payment obligations of First Credit under the Notes will (subject to any obligations preferred by mandatory provisions of law) rank at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of First Credit.

- Issue price: 100% of the principal amount of the First Credit Notes.
- Interest: 4.5% per annum; interest will commence to accrue from and including the issue date and including the date on which the First Credit Notes are redeemed and shall be payable every three months, provided that:
- (a) in the case of a redemption pursuant to redemption by the issuer, the holder(s) of the First Credit Notes shall be entitled to the interest accrued up to and including the interest payment date next following the issuer redemption date; and
 - (b) in the case of a redemption pursuant to early redemption requested by the holder(s) of the First Credit Notes, in the event that such redemption date does not fall on an interest payment date, the holder(s) of the First Credit Notes shall not be entitled to any interest in respect of the interest period in which the redemption date falls.
- Listing: No application will be made for the listing of the First Credit Notes on any stock exchange.
- Maturity date: The date immediately preceding the second anniversary of the date of the issuance of the First Credit Notes (where such day is not a business day, the immediately following business day).
- Redemption: Unless the First Credit Notes are redeemed prior to maturity, First Credit shall redeem the First Credit Notes on the maturity date.

Early redemption by the issuer:

First Credit may at any time, by not less than 30 days' prior written notice to the holder(s) of the First Credit Notes (or by such other shorter period as agreed in writing between First Credit and holder(s) of the First Credit Notes), notify the holder(s) of the First Credit Notes its intention to redeem the First Credit Notes or any part thereof outstanding on a business day (which must be a day after the third month of the date of issue of the First Credit Notes and before the respective maturity date) specified in such notice, which is issuer redemption date. On the issuer redemption date, First Credit shall pay to the holder(s) of the First Credit Notes the relevant redemption amount.

Early redemption requested by the holder(s) of the First Credit Notes:

Any holder(s) of the First Credit Notes may at any time, by not less than 30 days' prior written notice to First Credit, notify the First Credit his/her/its intention to request First Credit to redeem the First Credit Notes or any part thereof outstanding on a business day (which must be a day after the third month of the date of issue of the First Credit Notes and before the respective maturity date) specified in such notice, provided that if the requested redemption is not in respect of the full principal amount of the First Credit Notes outstanding, the amount to be redeemed must be at least HK\$600,000 in each redemption (save that if at any time the outstanding principal amount of the First Credit Notes held by a holder of the First Credit Notes is less than HK\$600,000, the amount to be redeemed shall be equal to the entire outstanding principal amount of the First Credit Notes held by such holder) and any amount exceeding HK\$600,000 shall be an integral multiple of HK\$600,000 (save that if such amount exceeding HK\$600,000 is less than HK\$600,000). On the redemption date, First Credit shall pay to such holder the relevant redemption amount.

Transferability:

The First Credit Notes are freely transferrable by the holder(s) of the First Credit Notes to any Person subject to compliance with all applicable Laws and any transfer of the First Credit Notes may be in respect of the whole or any part of the First Credit Notes provided that (i) where the transfer is in respect of part of the First Credit Notes only, such transfer must be in respect of a minimum principal amount of HK\$600,000 (save that if at any time the outstanding principal amount of the First Credit Notes held by a holder is less than HK\$600,000, the amount to be transferred shall be equal to the entire outstanding principal amount of the First Credit Notes held by such holder) and for any amount exceeding HK\$600,000, such principal amount must be an integral multiple of HK\$600,000 of the First Credit Notes (save that if such amount exceeding HK\$600,000 is less than HK\$600,000) and (ii) where a notice of intention to redeem or a notice of intention to request for redemption has been served, the entire amount of the First Credit Notes relating to such notice shall become non-transferrable until, where the redemption is not in respect of the entire amount of the First Credit Notes, the business day after the relevant date of redemption. No consent of First Credit is required for any transfer of the First Credit Notes to any Person, provided that no transfer shall be made to a connected person (as defined in Chapter 20 of the GEM Listing Rules) of First Credit.

Events of default:

Upon the occurrence of any of the following events, the holder(s) of the First Credit Notes shall be entitled to require, by lodging a notice of repayment in the form prescribed in event of default notice of repayment at the address of First Credit, the entire (but not part of) outstanding principal amount of the First Credit Notes registered in his/her/its name to be redeemed at the redemption amount, which at the time of such events of default notice of repayment shall become immediately due and payable:

- (i) any failure by First Credit to pay the principal, and/or any interest due and payable on the First Credit Notes or any other amount due and payable under the First Credit Notes on its due date in the manner specified in these conditions and such default is not remedied by First Credit within 10 business days of the due date thereof;
- (ii) it becomes illegal under any applicable laws for First Credit to perform or comply with any one or more of its obligations under the First Credit Notes or any enforceable final ruling is rendered by a competent court to the effect that any obligation of First Credit under the First Credit Notes is illegal or invalid;
- (iii) An encumbrancer takes possession or a receiver, manager or other similar officer is appointed of all or a substantial part of the undertaking, property or assets of First Credit;
- (iv) First Credit becomes insolvent or applies for or consents to the appointment of any administrator, liquidator or receiver of all or a substantial part of its undertaking, property or assets or enters into a general assignment or compromise with or for the benefit of its creditors;
- (v) An order is made or an effective resolution passed for winding-up of First Credit;

- (vi) First Credit consolidates or amalgamates with or merge into any other corporation (other than a consolidation, amalgamation or merger in which First Credit is the continuing corporation), or First Credit sells or transfers all or substantially all of its assets;
- (vii) Any change of the core business of First Credit;
- (viii) First Credit defaults in performance or compliance with any of its obligations or undertakings contained in the terms and conditions of the First Credit Notes which breach or default is incapable of remedy or is not remedied within 14 business days after notice of such breach or default is sent from the holder of the First Credit Notes to First Credit;
- (ix) A moratorium is agreed or declared in respect of any indebtedness of First Credit or any government authority seizes, compulsorily purchases or expropriates all or a substantial part of the undertaking, property or assets of First Credit;
- (x) First Credit submits a notification to the Stock Exchange of its proposed cancellation of the listing of its shares;
- (xi) First Credit's shareholders approve a resolution to delist First Credit from GEM;
- (xii) First Credit ceases to be listed on GEM;
- (xiii) First Credit makes an application or pass a resolution to change its primary listing of its shares to any stock exchange other than the Stock Exchange; or
- (xiv) First Credit undergoes or propose to undergo a privatisation of its shares.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. The principal business activity of the Subscriber is provision of medical solutions services.

INFORMATION ON CONVOY ASSET MANAGEMENT

Convoy Asset Management is a company incorporated in Hong Kong with limited liability and is a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the date of this announcement, Convoy Financial was interested in the entire equity interest in Convoy Fund Management, which was in turn interested in the entire management shares (with exclusive voting rights) in NSD Capital. NSD Capital is an exempted company incorporated in the Cayman Islands with limited liability on 17 August 2015 and a substantial Shareholder of the Company holding approximately 18.75% of the issued share capital of the Company as at the date of this announcement. Therefore, each of Convoy Fund Management and Convoy Financial was indirectly interested in the Shares held by NSD Capital.

Furthermore, as at the date of this announcement, Convoy Financial was interested in the entire equity interest in Convoy Asset Management. Therefore, Convoy Asset Management is a connected person of the Company.

INFORMATION ON JUN YANG

Jun Yang is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 397). Jun Yang is principally engaged in financial service business, solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment.

As at the date of this announcement, Jun Yang was interested in approximately 9.93% of the equity interest of Convoy Financial.

INFORMATION ON FIRST CREDIT

First Credit is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM (stock code: 8215). First Credit is principally engaged in money lending business.

As at the date of this announcement, Jun Yang was interested in approximately 9.65% of the equity interest of First Credit.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

As at the date of this announcement, the Group is principally engaged in provision of corporate medical and dental solutions services as well as the operation of MediNet Centres and dental clinics.

The Directors consider that investment in notes is an investment alternative of the Company that can generate stable income and higher interest return when comparing with bank deposit. The Directors are of the view that Subscription A and Subscription B were fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratio under the GEM Listing Rules in respect of each of Subscription A and Subscription B is more than 5% but less than 25%, each of Subscription A and Subscription B constitutes a discloseable transaction for the Company. Therefore, the Company is subject to notification and announcement requirements of Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“associate(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“business day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	MediNet Group Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8161)
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Convoy Asset Management”	Convoy Asset Management Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Director(s)”	the director(s) of the Company
“First Credit”	First Credit Finance Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM (stock code: 8215)
“First Credit Notes”	the 4.5% coupon notes due 2018 to be issued by First Credit in an aggregate principal amount of HK\$100,000,000 out of which the principal amount of HK\$8,000,000 are to be subscribed by the Subscriber

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jun Yang”	Jun Yang Financial Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 397)
“Jun Yang Notes”	the 8% coupon notes due 2018 to be issued by Jun Yang in an aggregate principal amount of HK\$100,000,000 out of which the principal amount of HK\$5,000,000 are to be subscribed by the Subscriber
“Person”	individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity
“Placing Letter A”	the placing letter dated 20 July 2016 entered into between Convoy Asset Management and the Subscriber, in relation to the subscription of the Jun Yang Notes in an aggregate principal amount of HK\$5,000,000
“Placing Letter B”	the placing letter dated 20 July 2016 entered into between Convoy Asset Management and the Subscriber, in relation to the subscription of the First Credit Notes in an aggregate principal amount of HK\$8,000,000
“Redemption Price”	the amount payable by the respective issuer of Jun Yang Notes or First Credit Notes to the holder in respect of the outstanding principal amount of such notes on the date of such redemption, being the aggregate of (i) the principal amount of such notes outstanding and to be redeemed by the respective issuer, an amount equal 100% of the principal amount; (ii) interest accrued and outstanding under the respective notes; and (iii) any other payment accrued and outstanding to the holder under the terms and conditions of the respective notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	MediNet Services Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company

“Subscription A”	the subscription of the Jun Yang Notes with a principal amount of HK\$5,000,000 by the Subscriber, as contemplated under the Placing Letter A
“Subscription B”	the subscription of the First Credit Notes with a principal amount of HK\$8,000,000 by the Subscriber, as contemplated under the Placing Letter B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
MediNet Group Limited
Chan Chi Wai, Nelson
Chairman

Hong Kong, 20 July 2016

As at the date of this announcement, the executive Directors are Mr. Chan Chi Wai, Nelson and Ms. Jiang Jie and the independent non-executive Directors are Dr. Lieu Geoffrey Sek Yiu, Mr. Leung Po Hon and Mr. Wong Wai Leung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange’s website at www.hkexnews.hk, and in the case of the announcement, on the “Latest Company Announcements” page for at least 7 days from the day of its posting. This announcement will also be published on and will remain on the Company’s website at www.MediNetGroup.com.