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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)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE IN AND SHAREHOLDER'S LOANS DUE BY MASTER CLEVER LIMITED AND CHANGE IN USE OF PROCEEDS

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 5 July 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor and the Guarantor pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan at a total consideration of HK\$32,000,000.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Under Rule 19.40 of the GEM Listing Rules, a major transaction must be made conditional on approval by shareholders of an issuer. In this regard and in lieu of holding an extraordinary general meeting of the Shareholders to approve the Acquisition, the Company will, according to the GEM Listing Rules, obtain a written approval on the Acquisition from Medinet International to dispense with such extraordinary general meeting requirement.

A circular containing, among other things, (i) further details of the Acquisition; and (ii) the financial information of the Target Company, will be despatched to the Shareholders on or before 26 July 2018.

Shareholders and potential investors are reminded that Completion of the Acquisition is subject to the satisfaction (or waiver, where applicable) of various conditional precedents under the Acquisition Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 5 July 2018 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor and the Guarantor pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan at a total consideration of HK\$32,000,000. Details of the Acquisition Agreement are set out below:

THE ACQUISITION AGREEMENT

Date: 5 July 2018 (after trading hours of the Stock Exchange)

Parties: (1) Tradewide Investments Limited, as vendor;

(2) Medinet (BVI) Limited, as purchaser;

(3) Chau Kai Man, as guarantor

The Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor, its ultimate beneficial owner(s) and the Guarantor are Independent Third Parties.

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share, representing the entire issued shares in the Target Company, and the Sale Loan.

Consideration

The consideration for the sale and purchase of the Sale Share shall be HK\$1. The aggregate consideration for the sale and purchase of the Sale Loan shall be the sum of HK\$31,999,999. The Consideration shall be paid by the Purchaser to the Vendor or its nominee in cash at Completion.

The Consideration was determined after arms' length negotiations between the Purchaser and the Vendor taking into account (i) the preliminary valuation of 100% of the Target Company prepared by Asset Appraisal Limited, an independent valuer, of approximately HK\$32 million under the market approach; and (ii) the guaranteed net profit (as defined below) provided by I-Teeth and Dr. Chiu in favour of the Target Company under the Business Transfer Agreement.

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Company;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (c) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Acquisition Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (d) the warranties given by the Vendor under the Acquisition Agreement remaining true and accurate in all respects;
- (e) the warranties given by the Purchaser under the Acquisition Agreement remaining true and accurate; and
- (f) the Company having obtained the written shareholder's approval from the Shareholder(s) in accordance with the requirements under the GEM Listing Rules approving the Acquisition Agreement and the transactions contemplated thereunder.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions set out in (a) and (d) above. The Vendor may at its absolute discretion at any time waive in writing the condition set out in (e) above. Other conditions are incapable of being waived by any of the parties to the Acquisition Agreement. If any of the conditions above has not been satisfied (or as the case may be, waived) at or before 12:00 noon on 31 July 2018, or such later date as the Purchaser and the Vendor may agree, the Acquisition Agreement shall cease and determine and thereafter neither party thereto shall have any obligations and liabilities under the Acquisition Agreement save for any antecedent breaches of the terms thereof.

Guarantee

Pursuant to the Acquisition Agreement, the Guarantor has given a guarantee in favour of the Purchaser for the due and punctual performance of the obligations of the Vendor under the Acquisition Agreement.

Completion

Subject to the fulfillment or waiver (as the case may be) of the conditions under the Acquisition Agreement, Completion shall take place at 4:00 p.m. on the Completion Date.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the accounts of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of operation of dental clinics for the provision of dental services including orthodontic treatment, dental laser implant surgery, teeth whitening and other general dental services.

The Business Transfer Agreement

On 2 March 2017, the Target Company entered into the Business Transfer Agreement with I-Teeth and Dr. Chiu pursuant to which the Target Company agreed to purchase and I-Teeth and Dr. Chiu agreed to sell the Business carried on by I-Teeth with Dr. Chiu as the principal dental practitioner under the trade names of (i) Dr. Kenny CP Chiu & Dental Surgeons; and (ii) Invisible Orthodontic & Laser Implant Centre, together with certain assets used by I-Teeth in connection with the Business.

Profit guarantee under the Business Transfer Agreement

Pursuant to the Business Transfer Agreement, each of I-Teeth and Dr. Chiu jointly and severally guarantees to the Target Company that the adjusted net profit of the Target Company (the “**Adjusted Net Profit**”) for each of the three financial years ending 31 December 2020 shall not be less than HK\$7,000,000 (the “**Guaranteed Net Profit**”).

In the event that the Adjusted Net Profit for a financial year is less than the Guaranteed Net Profit, I-Teeth and Dr. Chiu shall pay the shortfall (the “**Shortfall**”), which equals the difference between the Adjusted Net Profit of that financial year and the Guaranteed Net Profit to the Target Company in cash within 10 Business Days after the audited financial statements for the Target Company of that financial year are made available to I-Teeth and Dr. Chiu.

For the purpose of calculating the Shortfall, if the Adjusted Net Profit for a financial year exceeds the Guaranteed Net Profit, the amount of the Adjusted Net Profit in excess (the “**Excess Amount**”) shall be carried forward to the subsequent financial year as if it were part of the Adjusted Net Profit for such subsequent financial year. For the avoidance of doubt, the Excess Amount shall not have any retrospective effect.

Non-competition undertaking

For a period of six years and nine months following completion of the Business Transfer Agreement on 31 March 2017, each of I-Teeth and Dr. Chiu undertakes that it/he will not:

- (a) directly or indirectly, for itself/himself or on behalf of or in conjunction with any third party, own, manage, operate, control, hold any interest in, engage or participate in any manner with the ownership, management, operation or control of any person or entity or business, whether in corporate, proprietorship or partnership form or otherwise, which is engaged in or otherwise competes with, the Business in Hong Kong, provided that the practice of dentistry by Dr. Chiu in the direct employ or engagement as a consultant in the business of the Target Company or at any government hospital or university shall not be deemed to be in competition with the Business; and
- (b) solicit or persuade any person or corporation which is a supplier or client of the Business to cease doing business with the Target Company or the Business.

The Consultancy Agreement

As one of the terms of the Business Transfer Agreement, on 31 March 2017, the Target Company entered into the Consultancy Agreement with I-Teeth and Dr. Chiu pursuant to which the Target Company has agreed to engage and I-Teeth has agreed to provide the Services for a period of six years commencing on 31 March 2017.

In consideration of the provision of the Services by I-Teeth, the Target Company shall pay to I-Teeth service fees equal to 45% of the Net Revenue (as defined below). Net Revenue shall be calculated according to the formula as follows:

Net Revenue = Revenue – Direct Costs

where

“**Revenue**” means all revenue generated by Dr. Chiu during the term of the Consultancy Agreement for the dental clinics of the Business including but not limited to (i) patient consultation fees; (ii) surgery fees; (iii) investigations fees including laboratory and imaging; and (iv) sale of dental braces, aligners, aligners tray seaters, teeth-cleansing tools, other miscellaneous dental-related tools and equipments (“**Dental Tools**”), drugs and medicines.

“**Direct Costs**” means the aggregate of (i) laboratory and imaging costs; (ii) drug expenses; and (iii) cost of Dental Tools for generating the Revenue.

Financial information of the Target Company

The Target Company was incorporated in June 2016. Set out below is a summary of the financial information of the Target Company for the year ended 31 December 2016, 31 December 2017 and the three months ended 31 March 2018 according to the management accounts of the Target Company:

	For the 3 months ended 31 March 2018	For the year ended 31 December 2017	For the year ended 31 December 2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation	1,172	2,234	(11)
Profit after taxation	978	1,924	(11)
Net assets	2,892	1,913	(11)

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of corporate medical and dental solutions to contract customers through the design and administration of tailored medical and/or dental benefit plans for the contract customers and the provision of different combinations of medical and/or dental services through the MediNet Network and/or MediNet Centre and Dental Clinic.

The Target Company has entered into the Consultancy Agreement with Dr. Chiu. Dr. Chiu, who is the principal dental practitioner of the Business, will continue to provide dental services to the customers of the Business. The Business has a proven track record of approximately nine years in providing dental services including orthodontic treatment, dental laser implant surgery, teeth whitening and other general dental services to over 45,000 customers.

The Board considered that the Acquisition will enable Well Being Dental Services Limited, an indirect wholly-owned subsidiary of the Company, and PRC dental clinics of the Group, to expand the capacity and diversify the range of its existing dental services, in particular, for more specialised dental services such as invisalign treatment. The Acquisition will broaden the Group's customer's base and increase the number of private patients as well as provide cost savings for the Group due to further discount from suppliers for bulk purchase of dental supplies. Hence, it is expected that the Group will increase its revenue and profit margin as well as achieve long term development of the Group's business as a result of the Acquisition.

In view of the above, the Directors consider that the entering into of the Acquisition Agreement and the terms of the Acquisition, including the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

CHANGE IN USE OF PROCEEDS

Reference is made to (i) the Company's Prospectus; (ii) the announcement of the Company dated 21 June 2017 in relation to the postponement in use of net proceeds from the Placing; and (iii) the Company's 2018 annual report for the year ended 31 March 2018 in relation to updates on the utilisation of net proceeds from the Placing.

Use of proceeds

It was disclosed in the section headed "Future plans and use of proceeds" in the Prospectus that the Company intended to apply the net proceeds from the Placing (assuming the net proceeds was HK\$44.3 million) for the following purposes:

- (i) approximately HK\$12.42 million or 26.2% of the net proceeds for expanding the operation of the Group's MediNet Centre and Dental Clinic in Tsim Sha Tsui and Causeway Bay;
- (ii) approximately HK\$34.20 million or 72.2% of the net proceeds for purchasing a property for the Group's operation of Dental Clinic in Causeway Bay;
- (iii) approximately HK\$0.37 million or 0.8% of the net proceeds for expanding the MediNet Network; and
- (iv) approximately HK\$0.37 million or 0.8% of the net proceeds for the Group's general working capital.

The actual net proceeds from the Placing, after deducting listing related expenses, were approximately HK\$47.36 million (the "IPO Proceeds"). As at the date of this announcement, the unused amount of the IPO proceeds is approximately HK\$35.96 million.

Change in use of proceeds

The Board has resolved to change the proposed use of the IPO Proceeds for reasons set out in the paragraph below headed “Reasons for the Change in Use of Proceeds” of this announcement. Breakdown of the original allocation of the IPO proceeds, breakdown of the IPO Proceeds utilised and unutilised up to the date of this announcement, and the revised allocation of the IPO Proceeds are summarised as follows:

Planned use of proceeds

	Original allocation (adjusted according to the actual IPO Proceeds) (HK\$ million) approximately	Actual utilised amount up to the date of this announcement (HK\$ million) approximately	Remaining unutilised amount as at the date of this announcement (HK\$ million) approximately	Proposed revised allocation as at the date of this announcement (HK\$ million) approximately
Expand the operation of MediNet Centre and Dental Clinic in Tsim Sha Tsui and Causeway Bay	12.42	10.84	1.58	3.78
Purchase of a property for operation of Dental Clinic in Causeway Bay	34.20	–	34.20	–
Expand our MediNet Network	0.37	0.28	0.09	0.09
General working capital	0.37	0.28	0.09	0.09
The Acquisition	–	–	–	32.00
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Total	47.36	11.40	35.96	35.96

Reasons for the change in use of proceeds

Original use of the IPO Proceeds

As disclosed in the Prospectus, one of the Group’s business strategies was to purchase a property for operation of Dental Clinic in Causeway Bay during the financial year ended 31 March 2018. Due to the unavailability of suitable target premises to be purchased by the Group, the Board had subsequently resolved to enter into a new rental agreement for a term of three years in relation to the lease of new premises for the relocation and expansion of the Group’s existing Dental Clinic in Causeway Bay. The Group would postpone the portion of the IPO Proceeds earmarked for the acquisition of property and continue to identify suitable target premises for the acquisition as and when appropriate.

As at the date of this announcement, the Company has not been able to identify any suitable premises for the acquisition, which is mainly attributable to the limited supply of commercial properties available for sale in the market and the substantial increase in property prices in Hong Kong in recent years. Since the second half of 2016, the general property price in Hong Kong showed a continuous upward trend. According to the information published by Centaline Property Agency Limited on its website (http://www1.centadata.com/cci/cci_e.htm), the “Centa-City Index”, which is a monthly index based on all transaction records as registered with the Land Registry to reflect property price movements in previous months in Hong Kong, increased from approximately 127.22 in June 2016 to approximately 176.11 in April 2018, representing an increase of approximately 38.43% over the period. The substantial increase in the general property price over the relevant period has resulted in the IPO Proceeds earmarked for the acquisition of property not being sufficient to meet the intended purpose. On the other hand, since the Group entered into a new rental agreement for the lease of the new premises in June 2017, the leased property should provide a suitable place for the Group to carry out its business plans for the operation and expansion of the Dental Clinic in the short term.

In view of the above recent changes, the Board considers that the original plan for the Group to acquire a property for operation of the Dental Clinic in Causeway Bay is not in the best interest of the Company and its shareholders for the time being. In order to better deploy the resources of the Group, the Board considered that the Group should apply the unutilised amount of the IPO Proceeds originally intended for the purchase of property to expand the Group’s capacity and scope of its existing dental services by way of the Acquisition. By so doing, the Group can increase its revenue and profit margin as well as achieve long term development of the Group’s business.

Revised use of the IPO Proceeds

As part of the Group’s plan to expand its existing business for provision of dental services, the Company intends to allocate HK\$32 million and HK\$2.2 million of the IPO Proceeds originally intended for the purchase of property for the Acquisition and for the operation of MediNet Centre and Dental Clinic in Tsim Sha Tsui and Causeway Bay respectively. As set out in the sections headed “Information on the Target Company” and “Reasons for and Benefits of the Acquisition” of this announcement, the Target Company is principally engaged in the business of operation of dental clinics for the provision of dental services including orthodontic treatment, dental laser implant surgery, teeth whitening and other general dental services. The Target Company has entered into the Consultancy Agreement with Dr. Chiu pursuant to which the Target Company has agreed to engage and I-Teeth has agreed to provide the Services for a period of six years commencing on 31 March 2017. The Board considered that the Acquisition will enable the Group to expand the capacity and diversify the range of its existing dental services, in particular, for more specialised dental services such as invisalign treatment. The Directors considered that the Acquisition will broaden the Group’s customer’s base and increase the number of private patients as well as provide cost savings for the Group due to further discount from suppliers for bulk purchase of dental supplies. In light of the above, the Board considers that the reallocation of IPO Proceeds is in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Acquisition or are required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition.

Under Rule 19.40 of the GEM Listing Rules, a major transaction must be made conditional on approval by shareholders of an issuer. In this regard and in lieu of holding an extraordinary general meeting of the Shareholders to approve the Acquisition, the Company will, according to the GEM Listing Rules, obtain a written approval on the Acquisition from Medinet International to dispense with such extraordinary general meeting requirement.

As at the date of this announcement, Medinet International, a controlling shareholder (as defined in the GEM Listing Rules), beneficially owns 585,000,000 Shares, representing 56.25% of the entire issued share capital of the Company.

A circular containing, among other things, (i) further details of the Acquisition; and (ii) the financial information of the Target Company, will be despatched to the Shareholders on or before 26 July 2018.

Shareholders and potential investors are reminded that Completion of the Acquisition is subject to the satisfaction (or waiver, where applicable) of various conditional precedents under the Acquisition Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Share and the Sale Loan by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 5 July 2018 and entered into between the Purchaser, the Vendor and the Guarantor in relation to the sale and purchase of the Sale Share and the Sale Loan
“Board”	the board of Directors

“Business”	the business of operation of dental clinics for the provision of dental services including orthodontic treatment, dental laser implant surgery, teeth whitening and other general dental services, in respect of the period before completion of the Business Transfer, being carried on by I-Teeth with Dr. Chiu as the principal dental practitioner under the trade names of (i) Dr. Kenny CP Chiu & Dental Surgeons; and (ii) Invisible Orthodontic & Laser Implant Centre, and in respect of the period after completion of the Business Transfer, being carried on by the Target Company in succession to I-Teeth, whether or not under the same trade names
“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
“Business Transfer”	the sale and purchase of the Business pursuant to the terms and conditions of the Business Transfer Agreement
“Business Transfer Agreement”	the business transfer agreement dated 2 March 2017 and entered into between I-Teeth, Dr. Chiu, as the vendors, and the Target Company, as the purchaser, in relation to the sale and purchase of the Business together with certain assets used by I-Teeth in connection with the Business
“Company”	MediNet Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Acquisition Agreement
“Completion Date”	the date falling on the next Business Day after the fulfillment (or waiver) of the conditions under the Acquisition Agreement or such other date as the Purchaser and the Vendor may agree
“Consideration”	the consideration for the Sale Share and the Sale Loan under the Acquisition Agreement
“Consultancy Agreement”	the consultancy agreement dated 31 March 2017 and entered into between I-Teeth, Dr. Chiu and the Target Company pursuant to which the Target Company has agreed to engage and I-Teeth has agreed to provide the Services for a period of six years commencing on 31 March 2017

“Dental Clinics”	the dental clinics which are operated by Well Being Dental Services Limited, an indirect wholly-owned subsidiary of the Company, from time to time and at which the Group’s dentists and dental hygienists offer dental services
“Directors”	directors of the Company
“Dr. Chiu”	Dr. Chiu Chong Po Kenny, an Independent Third Party
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Chau Kai Man
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“I-Teeth”	I-Teeth Limited, a company incorporated in Hong Kong with limited liability, which is beneficially wholly-owned by Dr. Chiu, and is an Independent Third Party
“MediNet Centre”	the medical centres which are operated by the Group from time to time and at which the Group’s doctors offer medical services
“Medinet International”	Medinet International Limited, a company incorporated in the British Virgin Islands with limited liability, and is a controlling shareholder (as defined in the GEM Listing Rules) interested in 56.25% of the entire issued share capital of the Company
“MediNet Network”	the network of affiliated clinics, MediNet Centre, Dental Clinic and affiliated auxiliary services providers

“Placing”	the conditional placing of 260,000,000 Shares by the underwriter on behalf of the Company for subscription at the placing price as described in the section headed “Structure and conditions of the Placing” in the Prospectus
“Prospectus”	the prospectus dated 24 May 2016 issued by the Company in relation to the listing of the shares of the Company on GEM of the Stock Exchange
“Purchaser”	Medinet (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability
“PRC”	the People’s Republic of China
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion which as at the date of this announcement, amounted to HK\$42,000,000
“Sale Share”	one ordinary share of the Target Company, representing the entire issued shares in the Target Company
“Services”	the services to be provided by I-Teeth to the Target Company pursuant to the Consultancy Agreement, including (a) to be responsible for the management and the daily operation of the dental clinics in respect of the Business; and (b) shall, through Dr. Chiu, provide dental consultation, care and services in relation to orthodontic treatment, dental laser implant surgery, teeth whitening and other general dental services to patients at such dental clinics
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Master Clever Limited, a company incorporated in Hong Kong with limited liability
“Vendor”	Tradewide Investments Limited, a company incorporated in the British Virgin Islands with limited liability

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 5 July 2018

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 Company. 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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.MediNetGroup.com.