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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 IN RELATION TO THE ENTERING INTO TENANCY AGREEMENTS**

#### **(I) THE CWB TENANCY AGREEMENT**

The Board announces that on 27 May 2024, MediNet Services, an indirect subsidiary of Company, as tenant and CWB Landlord entered into the CWB Tenancy Agreement in respect of the lease of the CWB Premises at the monthly rent of HK\$127,800.00 (exclusive of rates, management and air-conditioning charges and other outgoings) for a term of three (3) years commencing on 20 April 2024 and expiring on 19 April 2027, both days inclusive.

#### **Listing Rules implications**

In accordance with HKFRS 16 “Leases”, the entering into of the CWB Tenancy Agreement will require the Group to recognise the lease of CWB Premises as the right-of-use assets on its balance sheet, thus the entering into of the CWB Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the CWB Tenancy Agreement amounted to approximately HK\$3.7 million.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the CWB Tenancy Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

## **(II) THE CENTRAL TENANCY AGREEMENTS**

The Board announces that on 1 August 2024, MediNet Health and Men's Health, both are indirect subsidiaries of Company, as co-tenant and Central Landlord entered into the Central TA (I) in respect of the lease of the Central Premises (I) at the monthly rent of HK\$34,910.00 (exclusive of government rates, management fees and air-conditioning charges) for a term of two years commencing on 15 July 2024 and expiring on 14 July 2026, both days inclusive.

The Board further announces that on 1 August 2024, Well Being Dental, an indirect subsidiary of Company, as tenant and Central Landlord entered into the Central TA (II) in respect of the lease of the Central Premises (II) at the monthly rent of HK\$69,784.00 (exclusive of government rates, management fees and air-conditioning charges) for a term of two years commencing on 15 July 2024 and expiring on 14 July 2026, both days inclusive.

### **Listing Rules implications**

In accordance with HKFRS 16 "Leases", the entering into of the Central Tenancy Agreements will require the Group to recognise the lease of the Central Premises (I) and the Central Premises (II) as the right-of-use assets on its balance sheet, thus the entering into of the Central Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

All the percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets under Central TA (I) or Central TA (II) recognised by the Group pursuant to HKFRS 16 are less than 5%, each of the Central TA (I) and Central TA (II) and the transaction contemplated thereunder is a full exempt transaction on the part of the Company under the Chapter 19 of the GEM Listing Rules.

However, given that the Central Premises (I) and Central Premises (II) are located in the same building and owned by the same entity, i.e. the Central Landlord, and the Central Tenancy Agreements were entered into with the Central Landlord, the transactions contemplated under the Central Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 19 of the GEM Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Central Tenancy Agreements amounted to approximately HK\$2.6 million.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Central Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

## (I) THE CWB TENANCY AGREEMENT

The Board announces that on 27 May 2024, MediNet Services, an indirect subsidiary of Company, as tenant and CWB Landlord entered into the CWB Tenancy Agreement in respect of the lease of the CWB Premises.

The principal terms of the CWB Tenancy Agreement are summarised below:

Date:	27 May 2024
Tenant:	MediNet Services Limited
Landlord:	Palawan Investments Inc., a 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 CWB Landlord and its ultimate beneficial owners are Independent Third Parties
Subject premises:	Unit 3601 on 36th Floor of Citicorp Centre, 18 Whitfield Road, Hong Kong
Lettable area:	3,740 square feet
Rent:	HK\$127,800.00 per month exclusive of rates, management and air-conditioning charges and other outgoings
Deposit:	HK\$465,210.35, being three months' Rent and management and air-conditioning charges and a quarter of rates
Term:	three (3) years commencing on 20 April 2024 and expiring on 19 April 2027, both days inclusive
Use of premises:	Office for business purposes only

### **The right-of-use asset**

The unaudited value of the right-of-use asset recognised by the Company under the CWB Tenancy Agreement amounted to approximately HK\$3.7 million which is calculated with reference to the aggregate lease payment and discounted by a discounted rate.

## **Reasons for and benefits of the entering into of the CWB Tenancy Agreement**

The CWB Premises was used to be the head office of the Group in Hong Kong. The entering into the CWB Tenancy Agreement is the renewal of the previous tenancy agreement of the CWB Premises. In evaluating the options of renewal of tenancy of the CWB Premises or leasing a new location, the Group has considered that (i) the CWB Premises is located in a prime commercial area in Hong Kong where the Group has been familiar with; (ii) the Group also does not have to incur extra costs and resources for moving and refurbishment; and (iii) there will not have any interruption of the head office operation as no relocation of the office is required.

The terms of the CWB Tenancy Agreement were determined after arm's length negotiation between the CWB Landlord and MediNet Services and the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage. The Directors considered that the terms of the CWB Tenancy Agreement are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the shareholders as a whole.

### **Listing Rules implications**

In accordance with HKFRS 16 "Leases", the entering into of the CWB Tenancy Agreement will require the Group to recognise the lease of CWB Premises as the right-of-use assets on its balance sheet, thus the entering into of the CWB Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the CWB Tenancy Agreement amounted to approximately HK\$3.7 million.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the CWB Tenancy Agreement and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

## (II) THE CENTRAL TENANCY AGREEMENTS

The Board announces that on 1 August 2024, (i) MediNet Health and Men's Health, both are indirect subsidiaries of Company, as co-tenant and Central Landlord entered into the Central TA (I) in respect of the lease of the Central Premises (I); and (ii) Well Being Dental, an indirect subsidiary of Company, as tenant and Central Landlord entered into the Central TA (II) in respect of the lease of the Central Premises (II).

### **The principal terms of the Central TA (I) are summarised below:**

Date:	1 August 2024
Tenant:	Men's Health Solutions Limited and Medinet Health Centre Limited
Landlord:	Bright Sky Enterprises Limited, a company incorporated in Hong Kong with limited liability  To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Central Landlord and its ultimate beneficial owners are Independent Third Parties
Subject premises:	Unit 601 on the 6th Floor of No.10 Pottinger Street and No.18 Li Yuen Street West, Central, Hong Kong
Lettable area:	982 square feet
Rent:	HK\$34,910.00 per month (exclusive of government rates, management fees and air-conditioning charges)
Deposit:	HK\$123,756.60 (an amount equivalent to three months' rental and three months' management fees and air-conditioning charges)
Term:	two years commencing on 15 July 2024 and expiring on 14 July 2026, both days inclusive
Use of premises:	for commercial purposes only

**The principal terms of the Central TA (II) are summarised below:**

Date:	1 August 2024
Tenant:	Well Being Dental Services Limited
Landlord:	Bright Sky Enterprises Limited, a company incorporated in Hong Kong with limited liability
	To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Central Landlord and its ultimate beneficial owners are Independent Third Parties
Subject premises:	13th Floor of No.10 Pottinger Street and No.18 Li Yuen Street West, Central, Hong Kong
Lettable area:	1,963 square feet
Rent:	HK\$69,784.00 per month (exclusive of government rates, management fees and air-conditioning charges)
Deposit:	HK\$247,385.40 (an amount equivalent to three months' rental and three months' management fees and air-conditioning charges)
Term:	two years commencing on 15 July 2024 and expiring on 14 July 2026, both days inclusive
Use of premises:	for commercial purposes only

**The right-of-use asset**

The unaudited value of the right-of-use asset recognised by the Company under the Central Tenancy Agreements amounted to approximately HK\$2.6 million which is calculated with reference to the aggregate lease payment and discounted by a discounted rate.

**Reasons for and benefits of the entering into of the Central Tenancy Agreements**

The Central Premises (I) is used for the operation of men's health centre and the Central Premises (II) is used for the operation of dental centre, both are core medical services rendered by the Group. The Directors consider that Central is a prestigious central business district in Hong Kong and most of the medical groups in Hong Kong have their clinics or medical centres open in Central. The opening of men's health centre and dental centre in Central not only gives positive impact on the Group's reputation and marketing position but also helps to attract more affluent patients, who work in Central, to visit the Group's medical centres.

The terms of the Central Tenancy Agreement were determined after arm's length negotiation between the Central Landlord and the Group and the rent was determined with reference to the open market rental of properties of comparable size, location, facilities and usage. The Directors considered that the terms of the Central Tenancy Agreements are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the shareholders as a whole.

### **Listing Rules implications**

In accordance with HKFRS 16 "Leases", the entering into of the Central Tenancy Agreements will require the Group to recognise the lease of the Central Premises (I) and the Central Premises (II) as the right-of-use assets on its balance sheet, thus the entering into of the Central Tenancy Agreements and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

All the percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets under Central TA (I) or Central TA (II) recognised by the Group pursuant to HKFRS 16 are less than 5%, each of the Central TA (I) and Central TA (II) and the transaction contemplated thereunder is a full exempt transaction on the part of the Company under the Chapter 19 of the GEM Listing Rules.

However, given that the Central Premises (I) and Central Premises (II) are located in the same building and owned by the same entity, i.e. the Central Landlord, and the Central Tenancy Agreements were entered into with the Central Landlord, the transactions contemplated under the Central Tenancy Agreements shall be aggregated and be treated as if they were one transaction pursuant to Chapter 19 of the GEM Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Central Tenancy Agreements amounted to approximately HK\$2.6 million.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the entering into of the Central Tenancy Agreements and the transaction contemplated thereunder constitute a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

## REMEDIAL ACTIONS AND MEASURES

The Company deeply regrets its non-compliance with the GEM Listing Rules and failure of issuing the discloseable transactions in a timely manner. The Company would like to stress that the non-compliance of the GEM Listing Rules was inadvertent and unintentional given that the entry of the CWB Tenancy Agreement and the Central Tenancy Agreements are in the ordinary course of business and for the Group's business operation and the person-in-charge is not aware of the accounting treatment in respect of lease under Hong Kong Financial Reporting Standard and the GEM Listing Rules implication on the tenancy agreements.

To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions:

1. the Company shall enhance the training provided to the Directors, the senior management and staff of the Group, including inviting external legal advisors of the Company to give seminars on the compliance requirements and practical knowledge of notifiable transactions to its staff on a regular basis in two months times;
2. the Company shall also remind its management and the respective person-in-charge of the Group's business units to report those transactions which may constitute potential notifiable transactions to the office of the Board for approval and assessment of the disclosure obligations prior to the entering into of those transactions in two months times;
3. the Company will engage the external professional party to review and modify its existing internal control procedures in monitoring connected transactions and discloseable transactions of the Group under Chapters 19 and 20 of the GEM Listing Rules in six months times; and
4. the Company will, as and when appropriate and necessary, seek its external legal or other professional advice as to any action required to be taken in relation to any proposed transactions or events in the future.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	MediNet Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM of the Stock Exchange (stock code: 8161)
“Central Landlord”	Bright Sky Enterprises Limited, a company incorporated in Hong Kong with limited liability and the landlord of Central Premises (I) and Central Premises (II)



“Central Premises (I)”	Unit 601 on the 6th Floor of No.10 Pottinger Street and No.18 Li Yuen Street West, Central, Hong Kong
“Central Premises (II)”	13th Floor of No.10 Pottinger Street and No.18 Li Yuen Street West, Central, Hong Kong
“Central TA (I)”	the tenancy agreement dated 1 August 2024 and entered into between MediNet Health and Men’s Health as co-tenant and Central Landlord in respect of the lease of the Central Premises (I)
“Central TA (II)”	the tenancy agreement dated 1 August 2024 and entered into between Well Being Dental as tenant and Central Landlord in respect of the lease of the Central Premises (II)
“Central Tenancy Agreements”	together, the Central TA (I) and the Central TA (II)
“CWB Landlord”	Palawan Investments Inc., a company incorporated in the British Virgin Islands with limited liability, the landlord of CWB Premises
“CWB Premises”	Unit 3601 on 36th Floor of Citicorp Centre, 18 Whitfield Road, Hong Kong
“CWB Tenancy Agreement”	the tenancy agreement dated 27 May 2024 and entered into between MediNet Services as tenant and CWB Landlord in respect of the lease of the CWB Premises
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKFRS 16”	the “Hong Kong Financial Reporting Standard 16 — Leases” issued by the Hong Kong Institute of Certified Public Accountants, sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates

“MediNet Health”	MediNet Health Centre Limited, a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
“MediNet Services”	MediNet Services Limited, a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
“Men’s Health”	Men’s Health Solutions Limited, a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Well Being Dental”	Well Being Dental Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 December 2024

*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 Mr. Leung Po Hon, Mr. Wong Wai Leung and Mr. Ng Wai Hung.*

*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 Stock Exchange’s website at [www.hkexnews.hk](http://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 the Company’s website at [www.MediNetGroup.com](http://www.MediNetGroup.com).*