

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **MediNet Group Limited**

**醫匯集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8161)**

### **MAJOR TRANSACTION AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MASTER CLEVER LIMITED**

#### **THE DISPOSAL**

The Company is pleased to announce that on 9 January 2025 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company and the Purchaser entered into the SPA pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at the Consideration of HK\$14,400,000, subject to the terms and conditions of the SPA.

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the accounts of the Company.

#### **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but is under 75%, the Disposal will constitute a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser is a director of the Target Company, an indirect wholly-owned subsidiary of the Company, the Purchaser is therefore a connected person of the Company at subsidiary level. As such, the Disposal constitutes a connected transaction of the Company at subsidiary level under Chapter 20 of the GEM Listing Rules. The Board has approved the Disposal and the independent non-executive Directors have confirmed that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Disposal is subject to the reporting and announcement requirements but is exempt from the Shareholder's approval requirement (in respect of the connected transaction at subsidiary level) under Chapter 20 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the Disposal. Should the Disposal be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholder would be required to abstain from voting for the resolution to approve the Disposal. The Company has obtained a written approval for the Disposal from Medinet International Limited, the controlling shareholder of the Company holding 23,400,000 Shares, representing approximately 56.25% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders' meeting for the purpose of approving the Disposal pursuant to Rule 19.44 of the GEM Listing Rules.

Pursuant to Rule 19.41(a) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Disposal, (ii) financial information of the Group; and (iii) any other information required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 4 February 2025.

**Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the SPA and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.**

## THE DISPOSAL

The Company is pleased to announce that on 9 January 2025 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company and the Purchaser entered into the SPA pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at the Consideration of HK\$14,400,000, subject to the terms and conditions of the SPA.

### The SPA

Set out below are the principal terms of the SPA:

- Date**                    9 January 2025
- Parties**                (i) the Vendor (as vendor); and
- (ii) the Purchaser (as purchaser)

To the best knowledge, information and belief of the Directors, the Purchaser is a director of the Target Company and he does not hold any Shares as at the date of this announcement. Hence, the Purchaser is a connected person at the subsidiary level.

## **Subject matter**

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at the Consideration of HK\$14,400,000, subject to the terms and conditions of the SPA.

## **Consideration**

The Consideration, being the sum of HK\$14,400,000, shall be satisfied by the Purchaser in cash in the following manners:

- (i) as to HK\$10,800,000 will be payable by the Purchaser to the Vendor within 36 months after the Completion Date in monthly installments of HK\$300,000 each; and
- (ii) as to HK\$3,600,000 will be payable by the Purchaser to the Vendor from the 37th month to the 42nd month from the Completion Date. During the six months period from the 37th month to the 42nd month, the Purchaser shall pay no less than HK\$600,000 each month and until all the balance sum of HK\$3,600,000 has been paid off.

The Vendor and the Purchaser agree that, subject to the Completion, from 9 January 2025 onwards, all the expenses and incomes from the dental clinic operated by the Company shall be borne by (in case of expenses) and belong to (in case of incomes) the Purchaser. In the event that the Completion does not take place, this provision shall not apply.

## **Conditions**

Completion is conditional upon the following conditions being satisfied on or before the Long Stop Date:

- (i) the Company having obtained a written Shareholder's approval from its controlling shareholder(s) in accordance with the requirements under the GEM Listing Rules approving the SPA and the transactions contemplated thereunder;
- (ii) completion of the Debt Restructuring;
- (iii) all necessary consents, licenses and approvals required to be obtained on the part of the Vendor and the Target Company in respect of the SPA and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (iv) all necessary consents, licenses and approvals required to be obtained on the part of the Purchaser in respect of the SPA and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (v) the warranties provided by the Vendor under the SPA remaining true and accurate in all respects; and
- (vi) the warranties provided by the Purchaser under the SPA remaining true and accurate.

Each party to the SPA shall use its best endeavours to satisfy and fulfill the conditions and, in particular, shall procure that all information and documents required pursuant to the GEM Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Vendor, the Stock Exchange and other relevant regulatory authorities.

If the conditions have not been satisfied on or before 4:00 p.m. of the Long Stop Date, the SPA shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other under the SPA save for any antecedent breaches of the SPA.

## **Completion**

Subject to the fulfilment of the conditions under the SPA, Completion shall take place on the Completion Date, being a day falling within five Business Days after the fulfilment of the Conditions (or such other date as the parties to the SPA may agree).

## **Basis for determination of the Consideration**

The Consideration was arrived after arm's length negotiation between the Vendor and the Purchaser with reference to, among other things, (i) the financial results of the Target Company for the financial years ended 31 March 2023 and 2024 and the nine months ended 31 December 2024; (ii) the payment terms of the Consideration as requested by the Purchaser; and (iii) the reasons and benefits of the Disposal as discussed in the section headed "*The reasons for and the benefits of the Disposal*" in this announcement.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited company incorporated in Hong Kong 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.

Set out below is a summary of the audited financial information of the Target Company for the two financial years ended 31 March 2023 and 2024 and the unaudited financial information of the Target Company for the nine months ended 31 December 2024:

	<b>For the year ended 31 March</b>		<b>For the nine months ended 31 December</b>
	<b>2023</b>	<b>2024</b>	<b>2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	<i>(approx.)</i>	<i>(approx.)</i>	<i>(approx.)</i>
Revenue	42,520	29,817	16,645
Net loss before taxation	(829)	(2,555)	(710)
Net loss after taxation	(829)	(2,555)	(710)

The unaudited net liability value of the Target Company as at 31 December 2024 was approximately HK\$0.3 million.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND THE USE OF PROCEEDS**

The unaudited net liability value of the Target Company as at 31 December 2024 was approximately HK\$0.3 million. The Group is expected to record a gain on the Disposal of approximately HK\$14.0 million, which is calculated based on the Consideration to be received by the Group for the Disposal less the unaudited net liability value of the Target Company as at 31 December 2024 and on the assumption that the Debt Restructuring has completed as at 31 December 2024, before any related expenses.

The net proceeds arising from the Disposal are expected to be approximately HK\$14.1 million (after deducting expenses in relation to the Disposal) and will be utilized as general working capital of the Group.

The above figures are for illustrative purposes only. The actual financial effect in connection with the Disposal is subject to the review and audit by the auditors of the Company.

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the accounts of the Company.

## **INFORMATION OF THE PARTIES TO THE SPA**

### **The Vendor**

The Vendor is a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

### **The Purchaser**

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Purchaser is a registered dentist registered with The Dental Council of Hong Kong and one of the directors of the Target Company, hence, a connected person at the subsidiary level.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

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.

On 12 July 2018, the Group acquired the Target Company from Tradewide Investments Limited, a controlled corporation of the Purchaser. Since the said acquisition, the dental services business of the Target Company has faced significant challenges due to the impact of COVID-19. The dental industry of the Group has been further affected in the post-COVID era, particularly with the reopening of borders, which has led to an exodus of patients seeking dental treatment in Shenzhen. This shift in consumer behavior has negatively impacted dental operations in Hong Kong, resulting in ongoing losses for the

Target Company over the past year. As disclosed in the section headed “*Information of the Target Company*”, the Target Company has been in loss-making position over the two financial years ended 31 March 2024. The Company is therefore of the view that the continuing operation of the dental clinics under the Target Company will not be viable. The Disposal will enable the Group to realise the remaining value of the Target Company, relieve the Group from incurring additional costs in the provision of dental services in Hong Kong and replenish the cash resources of the Group so as to allow the Group to better utilise its resources for the development of the medical service segment of the Group.

In view of the aforesaid and taking into account the terms of the SPA were arrived at after arm’s length negotiations, the Directors (including the independent non-executive Directors) consider that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but is under 75%, the Disposal will constitute a major transaction of the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Disposal is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, the Purchaser is a director of the Target Company, an indirect wholly-owned subsidiary of the Company, the Purchaser is therefore a connected person of the Company at subsidiary level. As such, the Disposal constitutes a connected transaction of the Company at subsidiary level under Chapter 20 of the GEM Listing Rules. The Board has approved the Disposal and the independent non-executive Directors have confirmed that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable, on normal or better commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Disposal is subject to the reporting and announcement requirements but is exempt from the Shareholder’s approval requirement (in respect of the connected transaction at subsidiary level) under Chapter 20 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have a material interest in the Disposal. Should the Disposal be put forward to the Shareholders to approve at a general meeting of the Company, no Shareholder would be required to abstain from voting for the resolution to approve the Disposal. The Company has obtained a written approval for the Disposal from Medinet International Limited, the controlling shareholder of the Company holding 23,400,000 Shares, representing approximately 56.25% of the entire issued share capital of the Company as at the date of this announcement pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Accordingly, the Company is exempted from the requirement to convene a shareholders’ meeting for the purpose of approving the Disposal pursuant to Rule 19.44 of the GEM Listing Rules.

Pursuant to Rule 19.41(a) of the GEM Listing Rules, a circular containing, among other things, (i) further details of the Disposal, (ii) financial information of the Group; and (iii) any other information required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 4 February 2025.

**Shareholders and potential investors should note that the Disposal is subject to the conditions set out in the SPA and therefore the Disposal may or may not proceed. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms and expression in this announcement have the following meanings:

“Board”	the board of Directors of the Company
“Company”	MediNet Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8161)
“Completion”	the completion of the Disposal
“Completion Date”	the date of Completion
“connected persons”	has the meaning ascribed to it in the Listing Rules and “connected” shall be construed accordingly
“Consideration”	the sum of HK\$14,400,000, being the consideration payable by the Purchaser to the Vendor for the Sale Share
“Debt Restructuring”	the restructuring of the inter-companies loan due to and from the Target Company and the Company and the other subsidiaries of the Company
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant and subject to the terms and conditions of the SPA
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Long Stop Date”	31 March 2025 (or such later date as may be agreed between the parties to the SPA)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Dr. Chiu Chong Po, Kenny, a registered dentist registered with The Dental Council of Hong Kong, one of the directors of the Target Company and a connected person of the Company at subsidiary level
“Sale Share”	one ordinary share of the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“SPA”	the sale and purchase agreement dated 9 January 2025 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Master Clever Limited, a limited company incorporated in Hong Kong
“Vendor”	MediNet (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 9 January 2025

*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 Listed Company Information" 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).*