THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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 DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MASTER CLEVER LIMITED

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A Letter from the Board is set out on pages 4 to 14 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, Medinet International has given its written approval to approve the Disposal. Accordingly, the written approval from Medinet International will be accepted in lieu of a resolution to be passed at a general meeting of the Company for the approval of the Disposal. This circular is published for information purpose only.

27 March 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

In this circular, 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 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 GEM Listing Rules and "connected" shall be construed accordingly
"Consideration"	the sum of HK$14,400,000, being the consideration payable by the Purchaser to the Vendor for the Sale Share
"Debt Restructuring"	the restructuring of the inter-companies loans due to and from the Target Company and the Company and the other subsidiaries of the Company
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the Sale Share by the Vendor to the Purchaser pursuant and subject to the terms and conditions of the SPA
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and connected person(s) of the Company

"Latest Practicable Date"	24 March 2025, being the latest practicable date for ascertaining certain information contained in this circular prior to its publication
"Long Stop Date"	31 March 2025 (or such later date as may be agreed between the parties to the SPA)
"Medinet International"	Medinet International Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned as to 100% by Mr. Chan Chi Wai, Nelson, chairman of the Company and executive Director. As at the Latest Practicable Date, Medinet International is the controlling Shareholder holding 23,400,000 Shares, representing approximately 56.25% of the entire issued share capital of the Company
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Previous Acquisition"	the previous acquisition of, among others, the entire issued share capital of the Target Company by the Vendor pursuant to the terms and conditions of the agreement dated 5 July 2018 entered into between, among others, the Vendor as purchaser
"Purchaser"	Dr. Chiu Chong Po, Kenny, a 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
"Remaining Group"	the Group excluding the Target Company
"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.

MediNet Group Limited
醫匯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8161)

Executive Directors:
Mr. Chan Chi Wai Nelson
Ms. Jiang Jie

Independent non-executive Directors:
Mr. Leung Po Hon
Mr. Wong Wai Leung
Mr. Ng Wai Hung

Registered office:
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P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 3601, 36/F, Citicorp Centre
18 Whitfield Road, Causeway Bay
Hong Kong

27 March 2025

To the Shareholders

Dear Sir or Madam

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MASTER CLEVER LIMITED

INTRODUCTION

Reference is made to the announcement of the Company dated 9 January 2025 in relation to the Disposal.

The purpose of this circular is to provide you with, 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.

THE DISPOSAL

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 did not hold any Shares as at the Latest Practicable Date. Hence, the Purchaser is a connected person at the subsidiary level.

Subject matter

The disposal of the Sale Share, representing the entire issued share capital of the Target Company, at the Consideration of HK$14,400,000.

Consideration and payment terms

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

(i) as to HK$10,800,000 to be payable by the Purchaser to the Vendor within 36 months after the Completion Date in monthly instalments of HK$300,000 each. The Purchaser has paid HK$300,000 and has delivered 35 post-dated cheques in the amount of HK$300,000 each to the Vendor on Completion; and

(ii) as to HK$3,600,000 to 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 Purchaser has delivered six post-dated cheques in the amount of HK$600,000 each to the Vendor on Completion.

The Vendor and the Purchaser agreed that, subject to the Completion, from 9 January 2025 onwards, all the expenses and incomes from the dental clinic operated by the Company should be borne by (in case of expenses) and belong to (in case of incomes) the Purchaser.

The prolonged payment term of the Consideration was requested by the Purchaser and arrived at after arm's length negotiation between the Purchaser and the Vendor. The Purchaser agreed to pay a premium in light of the prolonged payment arrangement as further elaborated in the section headed "*Basis for determination of the Consideration*" in this letter from the Board. Prior to the entry of the SPA, the Company carried out due diligence exercise against the financial status of the Purchaser to assess the credit risk. Particularly, the Company has requested the Purchaser to provide information to prove he has sufficient assets to discharge the payment obligation of the Consideration. The Company also conducted independent search which revealed that at least three of the properties are beneficially owned by the Purchaser and they are free from mortgages or pledges. The Company further conducted research on the market prices of comparable properties in terms of both size and location of the properties, and based on such search results on the prevailing market prices of similar properties in the same vicinity, the Company is reasonably satisfied that the Purchaser has sufficient assets to fulfill its payment obligations under the SPA when they fall due.

Moreover, pursuant to the SPA, the Vendor has received from the Purchaser the first installment payment of HK$300,000 in clear fund and 41 post-dated cheques on Completion to satisfy the Consideration in full. Due to the fact that (i) the use of dishonoured cheque constitutes an offence under the Theft Ordinance (Cap. 210 of the laws of Hong Kong) which will lead to criminal liability on the part of the Purchaser in the event any of the post-dated cheques is dishonoured; (ii) the Purchaser is an esteemed registered dental practitioner in Hong Kong with over 30 years of experience in the industry and is himself subject to stringent codes of conducts as a medical professional; and (iii) the past business relationship between the Group and the Purchaser has been admirable to which the Purchaser was known to conduct his affairs in good faith, the Company is therefore of the view that the Purchaser has high creditworthiness and the risk of the Purchaser using dishonoured cheques is relatively low.

In the unlikely event of default payments, legal recourses are also available to the Vendor. Specifically, the SPA provides that, among others, a default in any part payment of the Consideration would constitute an event of default under the SPA and all outstanding part(s) of the Consideration shall forthwith become fallen due. The Vendor will therefore immediately recoup the full Consideration and may elect to pursue in court against the Purchaser for breach of contract should the Purchaser defaults in payment.

The Company cannot obtain an irrevocable undertaking from the Purchaser that he will not create any encumbrance on the aforesaid properties beneficially owned by him, as the Purchaser was unwilling to provide such undertaking. Nonetheless, in light of (i) the high creditworthiness of the Purchaser and the low risk pertaining to dishonoured cheques based on the above assessment; (ii) the legal recourses available to the Group to recover money owed under the dishonoured cheques; (iii) the continuous successful monthly bank in of the Purchaser's post-dated cheques is a sufficient indication of the Purchaser's payment ability; and (iv) the continuing communication between the management of the Company and the Purchaser on a monthly basis, including notification to the Purchaser of upcoming payments and basic enquiries regarding the Purchaser's ability to honour the post-dated cheques, the Company considers that it has proper means to closely monitor the performance of the Purchaser's payment obligations. As at the Latest Practicable Date, no post-dated cheques fallen due have been dishonoured. Based on the aforesaid, the Company is satisfied that the Company's entitlement to the Consideration is sufficiently safeguarded under the current payment terms of the SPA.

The Debt Restructuring

It is a condition under the SPA that the Target Company and the Group should undergo the restructuring of the inter-companies loans due to and from the Target Company and the Remaining Group. Based on the management accounts of the Target Company as at 30 September 2024, the Remaining Group was indebted to the Target Company of approximately HK$6.39 million.

The Debt Restructuring comprised the following steps:

(i) the Target Company declared a dividend of approximately HK$7.4 million to the Vendor which was set off against the amount due by the Company to the Target Company as at 30 November 2024 on dollar-for-dollar basis;

(ii) the Target Company used its idle cash in bank to pay off all account payables, and the surplus cash was used to repay the amount due by the Target Company to the other creditor subsidiaries of the Company;

(iii) all the amounts due to and from the Target Company and the Remaining Group were assigned and novated to the Company; and

(iv) the remaining amount due to or from the Target Company and the Company was waived before Completion.

After the Debt Restructuring, there was no amount due to or from the Remaining Group and the Target Company. As at the Latest Practicable Date, the Debt Restructuring has been completed.

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.

As at the Latest Practicable Date, all conditions have been satisfied and Completion has taken place.

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).

Completion took place on 19 February 2025.

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 combination of (a) the common market price over earning ("PE") multiple of 12, (b) the post-Completion annual return of HK$1.00 million of the Target Company as represented by the Purchaser, and (c) the premium attributed to the post-Completion payment 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 letter from the Board.

Prior to the negotiation for the Disposal, the Group and the Purchaser have explored the feasibility to outsource the operation of the dental clinic of the Target Company to the Purchaser. The Purchaser proposed to provide an annual return of HK$1.00 million to the Group for the outsourcing arrangement. However, considering the keen competition arising from the dental clinics in Shenzhen, the uncertain trading prospect of the dental business of the Target Company, the Company counter-proposed the Disposal to the Purchaser. In reaching the Consideration, the Company proposed an initial consideration of HK$12.00 million, being the product of the common market PE multiple of 12 and the post-Completion annual return of HK$1.00 million as previously proposed by the Purchaser. The Group has been engaging in medical and dental services for approximately 30 years and the management of the Company has in-depth knowledge in the corporate medical and dental solutions industry, to which based on their market acumen and understanding, transactions of similar nature typically have a PE multiple in the range of 10 to 12. Such PE multiple range was reflected in the valuation report obtained in respect of the Previous Acquisition, details of which are set out in the Appendix V to the circular of the Company dated 31 January 2019. The management therefore proposed to adopt the higher end of the aforesaid range. The management further noted and considered that as at 30 November 2024, based on publicly available information, comparable listed companies in Hong Kong principally engaged in similar business and with a positive PE ratio, have a average PE ratio of approximately 12.2, which is in line with the aforesaid PE multiple range of 10 to 12 in transactions of similar nature. The said comparable companies consist of four Hong Kong listed companies, the principal businesses of which include the provision of non-hospital medical services in Hong Kong, including but not limited to general practices, specialty, and dental services, and the provision of other healthcare solutions and services, which are highly akin to the business of the Target Company as it involves the operations of clinics providing medical treatments to patients by medical professionals.

The annual return of HK$1.00 million was in turn proposed by the Purchaser solely based on his own representation. Given that (i) at the material times, the Company was not able to identify any potential buyer in respect of the Target Company and the Purchaser was the sole potential purchaser who has expressed interest in acquiring the Target Company, and (ii) the Target Company was already in loss-making position for consecutive years, and that the management was uncertain about the trading and financial prospects of the Target Company, the Company considered that the annual return of HK$1.00 million as represented by the Purchaser was optimistic and in the interest of the Company for the purpose of reaching the Consideration. In addition, neither the Vendor was required to provide any profit guarantee to the Purchaser in respect of the HK$1.00 million annual return, nor was the payment obligations of the Purchaser conditioned upon the Target Company achieving the HK$1.00 million annual return, as such, the Vendor's entitlement to the full Consideration is safeguarded regardless of whether the proposed annual return is achievable or in fact achieved, and the Company is of the view that the basis of consideration, including the HK$1.00 million as proposed by the Purchaser, is fair and reasonable and in the interest of the Company. When arriving at the final Consideration, the management of the Company and the Purchaser also agreed to a premium to the initial consideration as consideration for the prolonged payment period.

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:

	For the year ended 31 March		For the nine months ended 31 December
	2023	2024	2024
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	*(audited)*	*(unaudited)*
	(approx.)	*(approx.)*	*(approx.)*
Revenue	42,520	29,817	16,645
Net (loss) before taxation	(829)	(2,555)	(767)
Net (loss) after taxation	(829)	(2,555)	(767)

The unaudited net liability value of the Target Company as at 31 December 2024 was approximately HK$0.4 million.

FINANCIAL EFFECTS OF THE DISPOSAL

Prior to the Completion, the Target Company was a wholly-owned subsidiary of the Company. Upon Completion, the Target Company was ceased to be a subsidiary of the Company and the Company ceased to have any interest in the Target Company. The financial results of the Target Group is no longer be consolidated into the consolidated financial statements of the Group following Completion.

Assets and liabilities

Having taken into account the Consideration and the unaudited net liability value of the Target Group as at 31 December 2024, it is estimated that following the Completion, the total assets of the Group will increase by approximately HK$8.6 million.

The total liabilities of Group will decrease by approximately HK$6.1 million. It is estimated that the net assets of the Group will have an increase of approximately HK$14.8 million, being the difference between the increase in total assets and decrease in total liabilities of the Group.

Earnings

As the Target Company has been loss making for the nine months ended 31 December 2024, and having considered the prospect of the Target Company, and its business did present pressure on the Group's overall profitability before Completion. Notwithstanding that the turnover of the Group will decrease following the Completion, it is expected that the Disposal can reduce loss of the Company and that the Group's earnings will improve as a result of the Disposal.

Based on the net proceeds from the Disposal of HK$14.1 million (after deducting of estimated professional fees and other related expenses of approximately HK$337,000) and the Company's carrying value, being the unaudited net liability value of the Target Group, of the Sale Share of approximately HK$0.3 million as at 31 December 2024, it is estimated that the Company will record a gain of approximately HK$14.0 million as a result of the Disposal. The actual gain or loss to be recorded by the Company depends on the net asset/liability value of the Target Group as at the Completion Date, which is subject to final audit to be performed by the auditors 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 AND USE OF PROCEEDS

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, via the Previous Acquisition, acquired the Target Company from Tradewide Investments Limited, a controlled corporation of the Purchaser. Since the Previous Acquisition, the performance of the Target Company initially gained traction and subsequently experienced a downturn when the dental services business of the Target Company 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. Moreover, most of the dental equipment and facilities used in the dental clinics of the Target Company have been in use for more than 7 years, it is anticipated that should the Group continues to operate the dental clinics under the Target Company, it would have been required to replace the outdated equipment and facilities in the near future. 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 particular, the Target Company has been in loss-making position in the two recent financial years ended 31 March 2023 and 2024. Having considered the financial position of the Target Company, in or around mid-2024, the management of the Company requested the management of the Target Company, which was headed by the Purchaser, to engage in cost-cutting. In response to the management's request, the Purchaser was of the view that the operation of the Target Company had already been very streamlined, further cost cutting would undermine the competitiveness of the Target Company, the Purchaser suggested the Company to outsource the Target Company's operation to the Purchaser and in return he would provide a guaranteed annual return of HK$1.00 million to the Company. Taking into consideration of the loss-making position and the uncertainty in the post-COVID era trading prospect of the Target Company, the management of the Company counter-proposed to dispose of the Target Company entirely to the Purchaser before the business and financial condition of the Target Company worsens.

Since the Previous Acquisition, the Target Company had in fact generated an aggregated Adjusted Net Profit (as defined in the circular of the Company dated 31 January 2019) of approximately HK$35.4 million (including the compensation paid by the vendor in the Previous Acquisition for shortfall in the guaranteed profit provided by the vendor therein). The Group has also received no less than HK$29 million dividend or distributions from the Target Company since the Previous Acquisition, as such the Board considered that the Group has already successfully recouped its costs in the Previous Acquisition and the present Disposal offers an opportunity for the Group to capitalize on the remaining value of the Target Company in light of the diminishing return in recent years.

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, including the basis of Consideration and the payment terms of the Consideration, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

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, including but not limited to rental payments for the head office of the Company and clinics operated by the Group, professional fees, salary payments, office overheads and other day-to-day administrative and operating expenses.

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 constituted 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 the SPA, the Purchaser was a director of the Target Company, an indirect wholly-owned subsidiary of the Company, the Purchaser was therefore a connected person of the Company at subsidiary level. As such, the Disposal constituted 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 holding 23,400,000 Shares, representing approximately 56.25% of the entire issued share capital of the Company, 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.

RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the SPA and the Disposal contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Notwithstanding that no general meeting of the Company will be convened to approve the Disposal, the Board would recommend that Shareholders vote in favour of the relevant ordinary resolution regarding the Disposal if the Company were to convene a general meeting for the approval of the same.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

For and on behalf of the Board
MediNet Group Limited
Mr. Chan Chi Wai, Nelson
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024, has been set out in the following documents and is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.MediNetGroup.com):

(a) the annual report of the Company for the year ended 31 March 2022 published 30 June 2022, from pages 55 to 120:

https://www1.hkexnews.hk/listedco/listconews/gem/2022/0630/2022063001619.pdf

(b) the annual report of the Company for the year ended 31 March 2023 published on 30 June 2023, from pages 37 to 104:

https://www1.hkexnews.hk/listedco/listconews/gem/2023/0630/2023063001674.pdf

(c) the annual report of the Company for the year ended 31 March 2024 published on 8 July 2024, from pages 36 to 104:

https://www1.hkexnews.hk/listedco/listconews/gem/2024/0708/2024070800889.pdf

(d) the interim report of the Company for the six months ended 30 September 2024 published on 23 December 2024, from pages 5 to 26:

https://www1.hkexnews.hk/listedco/listconews/gem/2024/1223/2024122300375.pdf

2. INDEBTEDNESS

As at 31 January 2025, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding indebtedness as summarised below.

Bank borrowing

As at 31 January 2025, the Group had interest-bearing bank borrowing of approximately HK$7.8 million. The bank borrowing was unsecured and personal guaranteed in aggregate of HK$9.0 million by Mr. Chan Chi Wai, Nelson, the executive director of the Group. The bank borrowing was carried variable interest rate at 3.0% as at 31 January 2025 with repayable on demand clause.

Lease liabilities

As at 31 January 2025, all lease liabilities of the Group amounting to approximately HK$13.2 million were secured by rental deposits and unguaranteed.

Contingent liabilities

The Group did not have any contingent liabilities as at 31 January 2025.

Disclaimer

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 January 2025, the Group did not have any debt securities authorised or created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, other recognised lease liabilities or lease commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

3. WORKING CAPITAL

The Directors are of the opinion that taking into account the financial resources available to the Group, including internally generated funds and existing facilities, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 19.66(13) of the GEM Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2024, being the date of which the latest published audited consolidated accounts of the Company were made up to, and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group has been a well-known corporate healthcare solution provider in Hong Kong for over 27 years, principally engaged in delivering medical and dental solutions to corporations, insurance companies, and individual customers. By tailoring its services to meet the specific needs, budgets, and desired healthcare benefits of our clients, the Group provides customized, reliable, coordinated, and comprehensive healthcare solutions. The Group's goal is to empower its clients to build strong bodies and maintain their health while navigating the various goals and challenges they encounter in their everyday lives.

The Company has made the strategic decision to dispose of its dental services subsidiary, referred to as the Target Company. This move is largely a response to the significant challenges currently facing the dental sector, particularly in the post-COVID era. The reopening of borders has led to an influx of patients seeking dental treatment in the Greater Bay Area, resulting in a shift in consumer behavior that has negatively impacted dental operations in Hong Kong.

Despite these challenges in the dental industry, Hong Kong remains renowned for its high-quality medical services, which continue to inspire confidence among residents and patients. The local healthcare sector is well-regarded for its advanced technologies, skilled professionals, and comprehensive medical offerings. As a result, the Company aims to concentrate more heavily on its core medical services and remaining dental operations, capitalizing on this strong reputation.

By divesting from the Target Company, the Company can streamline its operations and allocate resources more effectively to enhance its medical and dental services, enabling it to preserve capital during economically turbulent times. This strategic pivot allows the Company to focus on areas that align with consumer demand and market needs, ultimately improving patient outcomes. The ongoing confidence in Hong Kong's health sector presents opportunities for the Company to maintain its reputation and ensure the continued delivery of high-quality care, reinforcing its position as a reliable healthcare partner for its clients.

In this evolving landscape, the Company recognizes the importance of adapting to changing consumer behaviors while continuing to provide excellent medical care. This commitment to operational excellence and patient-centered care will be essential as the Company navigates the future of healthcare in Hong Kong.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO held by the Directors and chief executive of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long position in the Shares and underlying shares of the Company

Name of Director	Nature of interest	Number of Shares held/ interested(1)	Approximate percentage of shareholding *(%)*
Mr. Chan Chi Wai, Nelson ("**Mr. Chan**")	Interest in controlled corporation(2)	23,400,000(L)	56.25
Ms. Jiang Jie ("**Ms. Jiang**")	Interest of spouse(3)	23,400,000(L)	56.25

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) These Shares were held by Medinet International. The issued share capital of Medinet International is owned as to 100% by Mr. Chan. Therefore, Mr. Chan is deemed to be interested in the Shares beneficially owned by Medinet International under the SFO.

(3) Ms. Jiang is the spouse of Mr. Chan. Therefore, Ms. Jiang is deemed to be interested in the Shares in which Mr. Chan is deemed to be interested under the SFO.

(ii) Interests in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held/ interested *(note)*	Approximate percentage of shareholding *(%)*
Mr. Chan	Medinet International	Beneficial owner	5(L)	100
Ms. Jiang	Medinet International	Interest of spouse	5(L)	100

Note: The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had registered any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations, or any of their spouses or children under the age of 18 recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rules 5.48 to 5.67 of the GEM Listing Rules.

Interests of substantial Shareholders

So far as the Directors are aware, as at the Latest Practicable Date, the persons (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Nature of interest	Number of Shares held/ interested(1)	Approximate percentage of shareholding *(%)*
Medinet International	Beneficial owner(2)	23,400,000(L)	56.25
NSD Capital Limited ("**NSD Capital**")	Beneficial owner(3)	7,800,000(L)	18.75
Convoy Asset Management Limited ("**CAM**")	Interest in controlled corporation(3)	7,800,000(L)	18.75
Favour Sino Holdings Limited ("**Favour Sino**")	Interest in controlled corporation(3)	7,800,000(L)	18.75
Convoy (BVI) Limited ("**Convoy (BVI)**")	Interest in controlled corporation(3)	7,800,000(L)	18.75

Name of Shareholder	Nature of interest	Number of Shares held/ interested[1]	Approximate percentage of shareholding (%)
Convoy Global Holdings Limited (formerly known as Convoy Financial Holdings Limited) ("**Convoy Global**")	Interest in controlled corporation[3]	7,800,000(L)	18.75

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The issued share capital of Medinet International is owned as to 100% by Mr. Chan and Ms. Jiang is the spouse of Mr. Chan. Therefore, Mr. Chan is deemed to be interested in the Shares beneficially owned by Medinet International under the SFO and Ms. Jiang is deemed to be interested in the Shares in which Mr. Chan is deemed to be interested under the SFO.

(3) NSD Capital is an exempted company incorporated in the Cayman Island with limited liability, the management shares of which are wholly owned by CAM, a wholly-owned subsidiary of Favour Sino. Favour Sino is a wholly-owned subsidiary of Convoy (BVI), which is a wholly-owned subsidiary of Convoy Global. Therefore, each of CAM, Favour Sino, Convoy (BVI) and Convoy Global is deemed to be interested in the Shares beneficially owned by NSD Capital under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company, other than the Directors and chief executive of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

None of the Directors or their respective associate(s) are considered to have interests in business which compete or are likely to compete, either directly or indirectly, with the business of the Group which require disclosure under the GEM Listing Rules. In any event, such Directors will be subject to the usual requirement to abstain from voting on resolutions of the Board approving any proposal in which any Director or his associate has a material interest, such that the decision making of the Board should not be affected by such material interest.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2024, the date to which the latest published audited financial statements of the Group were made up.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The following contract (not being contracts entered into in the ordinary course of business) were entered into by the Group within two (2) years immediately preceding the Latest Practicable Date which are or may be material:

(a) the SPA.

8. GENERAL

(a) The company secretary of the Company is Mr. Tse Fung Chun, a certified public accountant of The Hong Kong Institute of Certified Public Accountants and CPA Australia and a chartered management accountant of the Chartered Institute of Management Accountants.

(b) The compliance officer to the Company appointed pursuant to Rule 5.19 of the GEM Listing Rules is Mr. Chan Chi Wai, Nelson.

(c) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, the head office and principal place of business in Hong Kong is at Unit 3601, 36/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

(d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises three members, Mr. Leung Po Hon (as chairman of the audit committee) ("**Mr. Leung**"), Mr. Wong Wai Leung ("**Mr. Wong**") and Mr. Ng Wai Hung ("**Mr. Ng**"), being all the independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial control, internal control, nominate and monitor external auditors and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board.

Mr. Leung, aged 61, was appointed as an independent non-executive Director on 19 May 2016. Mr. Leung is currently a practicing accountant. Mr. Leung was admitted as a member of the HKICPA in January 1993 and a fellow member of the Association of Chartered Certified Accountants since January 1997. Mr. Leung graduated from The Hong Kong Polytechnic University with a Professional Diploma in Accountancy in November 1987. He also obtained a Master's degree of Business Administration from University of Bradford, the United Kingdom in December 1990. Mr. Leung has more than 25 years of experience in accounting, auditing and financial management. Mr. Leung was previously an independent non-executive director of each of (i) Flying Financial Services Holdings Limited, the issued shares of which are listed on GEM (stock code: 8030), from August 2014 to November 2020; and (ii) Prosperity Group International Limited (formerly known as Kingbo Strike Limited), the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1421), from November 2015 to January 2024.

Mr. Wong, aged 47, was appointed as an independent non-executive Director on 19 May 2016. Mr. Wong is currently an executive director, the chief financial officer and company secretary of Qinqin Foodstuffs Group (Cayman) Company Limited, a company principally engaging in the manufacturing, distribution and sale of food and snacks products in the PRC, since March 2016 up to the present and is responsible for corporate development, investment, accounting and financial matters. He is also a director of Lianjie Sports Investments Limited, a private company which manages investments and trusts for a family office. He was previously employed by Ernst & Young Hong Kong from September 2000 to August 2009. He has been a member of the HKICPA since July 2004 and a fellow member of the Association of Chartered Certified Accountants since September 2010. Mr. Wong received a Bachelor of Business Administration degree from The Hong Kong University of Science and Technology in Hong Kong in November 2000. He has over 20 years of experience in accounting, auditing and financial management. Mr. Wong is currently an executive director of Qinqin Foodstuffs Group (Cayman) Company Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1583). Mr. Wong was also previously an independent non-executive director of each of Zhongchang International Holdings Group Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 859), from May 2020 to May 2021 and Vertical International Holdings Limited, the issued shares of which are listed on GEM (stock code: 8375) from October 2017 to February 2025.

Mr. Ng, aged 61, is a practising solicitor and a partner at Iu, Lai & Li Solicitors & Notaries in Hong Kong. Mr. Ng has been admitted as a Hong Kong solicitor since 1992. Mr. Ng is currently a non-executive director of (i) Coolpad Group Limited, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 02369) since January 2018, and an independent non-executive director of each of (i) Lajin Entertainment Network Group Limited, the issued shares of which are listed on GEM (stock code: 8172); (ii) Xinyi Electric Storage Holdings Limited, the issued shares of which are listed on GEM (stock code: 08328) since July 2016; and (iii) New Sparkle Roll International Group Limited, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 970) since June 2024. Mr. Ng was also previously an independent non-executive director of each of (i) 1957 & Co. (Hospitality) Limited, the issued shares of which are listed on GEM (stock code: 08495), from November 2017 to August 2022; and (ii) Winshine Science Company Limited (stock code: 00209), the issued shares of which are listed on the Main board of the Stock Exchange, from May 2019 to June 2023. And previously a non-executive director of (i) Allegro Culture Limited (formerly known as Kingkey Intelligence Culture Holdings Limited), the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 00550), from September 2023 to July 2024.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.MediNetGroup.com) from the date of this circular up to and including 10 April 2025, being a period of not less than 14 days:

(a) the letter from the Board, the text of which is set out on pages 4 to 14 of this circular;

(b) the material contract entered into by the Group as set out in the section headed "Material Contract" in this appendix; and

(c) this circular.