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*This report, for which the directors (the “**Directors**”) of MediNet Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.*

This report will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.MediNetGroup.com.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Chi Wai, Nelson (*Chairman*)
Ms. Jiang Jie

Independent non-executive Directors

Dr. Lieu Geoffrey Sek Yiu
Mr. Leung Po Hon
Mr. Wong Wai Leung

AUDIT COMMITTEE MEMBERS

Mr. Leung Po Hon (*Chairman*)
Dr. Lieu Geoffrey Sek Yiu
Mr. Wong Wai Leung

NOMINATION COMMITTEE MEMBERS

Mr. Leung Po Hon (*Chairman*)
Mr. Wong Wai Leung
Mr. Chan Chi Wai, Nelson

REMUNERATION COMMITTEE MEMBERS

Mr. Wong Wai Leung (*Chairman*)
Mr. Leung Po Hon
Mr. Chan Chi Wai, Nelson

COMPLIANCE OFFICER

Mr. Chan Chi Wai, Nelson

COMPANY SECRETARY

Mr. Leung Man Fai

AUTHORISED REPRESENTATIVES

Mr. Chan Chi Wai, Nelson
Mr. Leung Man Fai

COMPLIANCE ADVISER

Messis Capital Limited

LEGAL ADVISER

As to Hong Kong Law
Michael Li & Co
Solicitors, Hong Kong

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

16/F, 101 King's Road
North Point, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

PRINCIPAL BANKER

Nanyang Commercial Bank, Limited

COMPANY'S WEBSITE

www.MediNetGroup.com

STOCK CODE

8161

Financial Highlight

- The revenue of the Company and its subsidiaries (collectively the “**Group**”) amounted to approximately HK\$73.4 million for the nine months ended 31 December 2017, representing a slight increase of approximately HK\$462,000 as compared with the nine months ended 31 December 2016.
- The loss for the period of the Group is approximately HK\$9.6 million for the nine months ended 31 December 2017, representing an increase of approximately HK\$6.3 million as compared with the nine months ended 31 December 2016.
- The Board does not recommend the payment of interim dividend for the nine months ended 31 December 2017.

Third Quarterly Results

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31 December 2017

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue	3	24,493	24,290	73,382	72,920
Other income		416	311	1,364	759
Other losses and gains		(15)	-	(253)	114
Medical and dental professional services expenses		(12,561)	(12,340)	(36,076)	(36,296)
Staff costs		(9,021)	(7,101)	(24,592)	(18,540)
Depreciation of property, plant and equipment		(542)	(387)	(1,345)	(1,017)
Cost of medical and dental supplies		(897)	(843)	(2,962)	(2,723)
Rental expenses		(2,612)	(1,653)	(7,514)	(4,610)
Other expenses		(3,392)	(2,766)	(10,996)	(8,506)
Listing expenses		-	-	-	(4,190)
Loss before taxation		(4,131)	(489)	(8,992)	(2,089)
Income tax expense	4	(154)	(262)	(622)	(1,186)
Loss and total comprehensive expense for the period		(4,285)	(751)	(9,614)	(3,275)
Loss and total comprehensive expense for the period attributable to:					
Owners of the Company		(4,285)	(644)	(9,614)	(3,034)
Non-controlling interest		-	(107)	-	(241)
		(4,285)	(751)	(9,614)	(3,275)
Loss per share -Basic (Hong Kong cents)	6	(0.41)	(0.06)	(0.92)	(0.31)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2017

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (note a)	Special reserve HK\$'000	Retained profits (Accumulated losses) HK\$'000	Subtotal HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
At 1 April 2016 (audited)	-*	-	(1,253)	20,215	3,332	22,594	-	22,594
Loss and total comprehensive expense for the period	-	-	-	-	(3,034)	(3,034)	(241)	(3,275)
Capitalisation issue (note b)	7,800	(7,800)	-	-	-	-	-	-
Issue of new shares (note c)	2,600	67,600	-	-	-	70,200	-	70,200
Transaction costs attributable to issued shares	-	(7,947)	-	-	-	(7,947)	-	(7,947)
Capital contribution to a non-wholly owned subsidiary	-	-	-	-	-	-	5	5
Dividend declared	-	-	-	-	(1,248)	(1,248)	-	(1,248)
At 31 December 2016 (unaudited)	10,400	51,853	(1,253)	20,515	(950)	(80,565)	(236)	80,329
At 1 April 2017 (audited)	10,400	51,853	(1,253)	20,515	(2,177)	79,338	(237)	79,101
Loss and total comprehensive expense for the period	-	-	-	-	(9,614)	(9,614)	-	(9,614)
Disposal of a subsidiary	-	-	-	-	-	-	237	237
At 31 December 2017 (unaudited)	10,400	51,853	(1,253)	20,515	(11,791)	69,724	-	69,724

* Less than HK\$1,000

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 31 December 2017

Notes:

- (a) In November 2012, the Group advanced a three-year unsecured, interest-free loan with principal amount of HK\$13,663,000 to MediNet Holdings Limited, the then holding company of Well Being Dental Services Limited, MediNet Services Limited and MediNet Health Centre Limited of which Mr. Chan Chi Wai, Nelson was the ultimate owner and the controlling shareholder. The interest-free loan was initially measured at its fair value of HK\$12,410,000 at an effective interest rate of 3.25% per annum and subsequently carried at amortised cost using effective interest method. The fair value adjustment of HK\$1,253,000 at initial recognition of the interest-free loan were recognised in equity as deemed distribution to shareholder. The loan has been settled during the year ended 31 March 2016.
- (b) Pursuant to the written resolutions passed by the shareholders of the Company on 19 May 2016, conditional upon the crediting of the share premium account of the Company as a result of the issue of shares pursuant to the placing as described as (c) below, the directors of the Company were authorised to capitalise the amount of approximately HK\$7,800,000 from the amount standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 779,999,900 ordinary shares of HK\$0.01 each for allotment and issue to the persons whose names appeared on the register of members of the Company at the close of business on 19 May 2016 in proportion (or as nearly as possible without fractions) to their then respective shareholdings of the Company.
- (c) On 31 May 2016, the Company placed 260,000,000 new shares at HK\$0.27 per share for a total gross proceeds of HK\$70,200,000. The proceeds of HK\$2,600,000 representing the par value of the shares of the Company, were credited to the Company's share capital and the remaining proceeds of HK\$67,600,000 before issuing expenses, were credited to share premium account of the Company.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2017

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 20 August 2015. The shares of the Company have been listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 31 May 2016. The addresses of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business of the Company is at 16/F, 101 King’s Road, North Point, Hong Kong. The Company’s immediate and ultimate holding company is MediNet International Limited, a company incorporated in the British Virgin Islands which is controlled by the Controlling Shareholder.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of dental solutions and dental services and medical solutions and medical services.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months period ended 31 December 2017 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the GEM Listing Rules.

The basis of preparation and accounting policies adopted in preparing these unaudited condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s audited consolidated financial statements for the year ended 31 March 2017, except for the adoption of the new and revised HKFRSs that have become effective for its accounting period beginning on 1 April 2017.

The adoption of the new and revised HKFRSs has no significant effect on these unaudited condensed consolidated financial statements.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current accounting period of the Group.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2017

3. REVENUE

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
	Provision of healthcare solutions to contract customers, which mainly comprise of corporations and insurance companies:			
Medical services	14,711	14,275	42,086	42,129
Dental services	1,531	1,677	4,661	5,214
Provision of healthcare services to self-paid patients, which refer to individual patients who visit the medical centres or dental clinics run by the Group and pay out of their own expenses:				
Medical services	4,373	4,150	13,185	12,948
Dental services	3,878	4,188	13,450	12,629
	24,493	24,290	73,382	72,920

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2017

4. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	31 December		31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Current tax	154	262	622	1,186

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both period.

5. DIVIDENDS

The Board does not recommend any interim dividend for the nine months ended 31 December 2017 (Nine months ended 31 December 2016: nil).

During the prior period, a final dividend of HK0.12 cents per share amounting to approximately HK\$1,248,000 was declared and paid to the shareholders in respect of the year ended 31 March 2016.

Notes to the Unaudited Condensed Consolidated Financial Statements

For the nine months ended 31 December 2017

6. LOSS PER SHARE

	Three months ended 31 December		Nine months ended 31 December	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Loss for the purpose of calculating basic loss per share for the period	(4,285)	(644)	(9,614)	(3,034)
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	1,040,000	1,040,000	1,040,000	982,327

No diluted loss per share for the current and prior period was presented as there were no dilutive potential ordinary shares in issue.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue slightly increased from approximately HK\$72.9 million for the nine months ended 31 December 2016 to approximately HK\$73.4 million for the nine months ended 31 December 2017. The following table sets forth a breakdown of the Group's revenue with comparative figure:

	Nine months ended 31 December 2017 HK\$'000	Nine months ended 31 December 2016 HK\$'000	Increase/ (decrease) %
Medical solutions to contract customers	42,086	42,129	(0.1%)
Medical services to self-paid patients	13,185	12,948	1.8%
Dental solutions to contract customers	4,661	5,214	(10.6%)
Dental services to self-paid patients	13,450	12,629	6.5%
	73,382	72,920	

The revenue of medical solutions to contract customers remained relatively stable at approximately HK\$42 million for both the nine months ended 31 December 2016 and 2017.

The revenue of medical services to self-paid patients slightly increased by approximately 1.8% from approximately HK\$12.9 million for the nine months ended 31 December 2016 to approximately HK\$13.2 million for the nine months ended 31 December 2017, primarily due to the increase in demand from self-paid patients for certain body check up, other testing procedures and vaccination services etc.

The revenue of dental solutions to contract customers decreased by approximately 10.6% from approximately HK\$5.2 million for the nine months ended 31 December 2016 to approximately HK\$4.7 million for the nine months ended 31 December 2017, which was mainly attributable to the decrease in the number of contract customers and individuals for dental solutions services.

The revenue of dental services to self-paid patients increased by approximately 6.5% from approximately HK\$12.6 million for the nine months ended 31 December 2016 to approximately HK\$13.5 million for the nine months ended 31 December 2017, primarily due to the increase in the number of visits from patients seeking dental services.

Management Discussion and Analysis

Other income

Other income increased by approximately 79.7% from approximately HK\$759,000 for the nine months ended 31 December 2016 to approximately HK\$1.4 million for the nine months ended 31 December 2017 due to the increase in interest income on loan receivables, bank interest income from short-term fixed bank deposit and rental income from the sub-lease of certain area in market rate at our new dental clinic in Causeway Bay and medical clinic in Central since September 2017 and October 2017 respectively.

Other losses and gains

Other losses and gains changed from net gain of approximately HK\$114,000 for the nine months ended 31 December 2016 to net loss of approximately HK\$253,000 for the nine months ended 31 December 2017 mainly due to the combined effect of (i) gain on disposal of a motor vehicle amounted to approximately HK\$140,000 in May 2016; (ii) the disposal of a subsidiary in May 2017; and (iii) disposal of fixed assets of the previous dental clinic in Causeway Bay in October 2017.

Medical and dental professional services expenses

Medical and dental professional services expenses primarily comprise fees paid to (i) affiliated doctors and affiliated auxiliary services providers rendered within the MediNet Network; (ii) external dentists engaged by the Group; (iii) laboratories services; and (iv) the Group's doctors and dentists.

The Group's medical and dental professional services expenses remained constant, which accounted for approximately HK\$36 million for both nine months ended 31 December 2016 and 2017.

Staff costs

Staff costs increased by approximately 32.6% from approximately HK\$18.5 million for the nine months ended 31 December 2016 to approximately HK\$24.6 million for the nine months ended 31 December 2017. Due to change in employment arrangements between the Group and the Group's doctor and dentist so fees to the Group's doctor approximately HK\$1.4 million was recognized in "staff costs" and fees to dentist approximately HK\$0.8 million was recognized in "medical and dental professional services expenses". Without taking into account the abovementioned reclassification, the staff costs increased by approximately HK\$5.5 million. The increase was attributable by (i) the increase in staff costs paid to Directors; (ii) annual increase in salaries for the staff; (iii) the increase in number of staff and full-period recognition of staff cost from our business in the People's Republic of China (the "PRC"); and (iv) the increase in number of staff in Hong Kong such as sales and marketing team, customer services team, dentists, hygienists and nurses in connection with the Group's expansion. As a result, the Group's total number of staff increased from 90 to 99 as at 31 December 2016 and 31 December 2017 respectively.

Management Discussion and Analysis

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment increased by approximately 32.3% from approximately HK\$1.0 million for the nine months ended 31 December 2016 to approximately HK\$1.3 million for the nine months ended 31 December 2017 which was primarily due to the purchase of specialized equipment and renovation of the new dental clinic in Causeway Bay and Shenzhen dental clinic.

Cost of medical and dental supplies

Cost of medical and dental supplies slightly increased by approximately 8.8% from approximately HK\$2.7 million for the nine months ended 31 December 2016 to approximately HK\$3.0 million for the nine months ended 31 December 2017, which was primarily due to the increase in the amount of drugs and other medical consumables for the provision of medical services and dental services to self-paid patients and was in line with the increase in revenue from medical services and dental services to self-paid patients.

Rental expenses

Rental expenses increased by approximately 63.0% from approximately HK\$4.6 million for the nine months ended 31 December 2016 to approximately HK\$7.5 million for the nine months ended 31 December 2017, which was mainly due to (i) the increase in rental expenses on the newly relocated dental clinic in Causeway Bay; (ii) the full-period recognition of rental expenses from Shenzhen dental clinic and Shenzhen office; and (iii) the increase in rent for those existing premises with renewed leases.

Other expenses

Other expenses increased by approximately 29.3% from approximately HK\$8.5 million for the nine months ended 31 December 2016 to approximately HK\$11.0 million for the nine months ended 31 December 2017, primarily due to the full-period recognition of professional fees and other general administrative expenses such as utilities, repair and maintenance expenses, printing cost etc.

Income tax expense

Income tax expense for the Group decreased by approximately 47.6% from approximately HK\$1.2 million for the nine months ended 31 December 2016 to approximately HK\$622,000 for the nine months ended 31 December 2017. The decrease was mainly due to the decrease in tax assessable income.

Management Discussion and Analysis

Loss and total comprehensive expense for the period

Due to the combined effect of the factors mentioned above, we recorded a loss and total comprehensive expense for the nine months ended 31 December 2017 of approximately HK\$9.6 million, which represented an increased of approximately HK\$6.3 million as compared with that for the nine months ended 31 December 2016 of approximately HK\$3.3 million. If the listing (the “**Listing**”) expenses of approximately HK\$4.2 million recognised in the nine months ended 31 December 2016 were excluded, the loss increased by approximately HK\$10.5 million accordingly.

Such increase was primarily attributable to the combined effect of (i) the slight increase in revenue of approximately HK\$460,000 for the nine months ended 31 December 2017 but offset by (ii) the booking of pre-opening expense for dental clinic in Shenzhen and integrated medical clinic in Jiangmen, which mainly represent rent paid during the period of such clinic’s application, renovation and staff cost and also the operating cost of the representative office in Shenzhen; (iii) the increase in staff cost and other operation expenses in Hong Kong for supporting the Group’s business development such as recruitment of additional dentists, hygienists, nurses, sales and marketing team as well as customer services team; and (iv) recognition of effective rent of high-end dental clinic in Causeway Bay which was newly opened in October 2017.

BUSINESS REVIEW AND OUTLOOK

Our Group is one of the corporate healthcare solutions providers in Hong Kong for more than 20 years. We are 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 benefits plan to provide the provision of different combinations of medical and/or dental services through the MediNet Network and/or our own operated medical and dental clinics. In order to deliver the value for money and a comprehensive suite of healthcare solutions to our customers, we devote ourselves to understand our clients and to meet their needs.

Management Discussion and Analysis

We recorded a significant net loss for the nine months ended 31 December 2017 which was mainly attributable to the following reasons:

- (i) additional pre-opening expenses incurred in our business in the PRC, including rental costs, licence application fee, staff costs and renovation costs for our dental clinic in Shenzhen and integrated medical clinic in Jiangmen as well as operating cost for our Shenzhen representative office. Nevertheless, the PRC business has not yet generated any revenue and will no doubt result in short to medium term operating losses. The management of the Group believes that the PRC is one of our target markets as there is significant market demand for healthcare services so we are confident that we will perform well in the long run;
- (ii) increase in staff cost and other operating expenses to support the Group's expansion and business development in Hong Kong. As the result, we have recruited additional dentists, nurses and hygienists to expand our medical and dental services segments. Besides, we have also developed our MediNet Privilege e-commerce business, which was first launched in September 2017. However, as it is still in the ramp-up period, we will further strengthen our efforts in the e-commerce business so as to broaden our income stream as well as to build up the customer loyalty and confidence in our brand; and
- (iii) additional rental expenses due to the expansion and relocation of our medical and dental clinics. In order to target the high-end customers, the Group entered into a new tenancy agreement for relocation of our Dental Clinic to a grade A building in Causeway Bay in June 2017 with higher rental cost which increased our cost in short run but we believe that it will attract customers with stronger purchasing power for secondary dental services.

In addition, we are still pending the approval of operation of medical institution (醫療機構執業許可證) from the Department of Health of Guangdong Province for our dental clinic in Shenzhen. We expect the operation of such clinic will commence in the second quarter of 2018. Meanwhile, due to redesigning of the integrated medical clinic in Jiangmen, the expected completion of its renovation will be further delayed to the fourth quarter of 2018.

It is the incubation period for our Group's expansion of business that has led to increase our net loss, however we believe that our Group is well-positioned to remain competitive despite any future challenges that are commonly faced by all market players and are confident that our Group will perform well in the long run.

Management Discussion and Analysis

DISCLOSURE OF INTERESTS

A. Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporation

As at 31 December 2017, the interests and short positions of the each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required (i) to be 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 they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in ordinary shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares held (Note 1)	Approximate % of the Company's issued share capital
Mr. Chan Chi Wai Nelson	Interest of controlled company (Note 2)	585,000,000 (L)	56.25%
Ms. Jiang Jie	Interest of spouse (Note 3)	585,000,000 (L)	56.25%

Notes:

1. The letter “L” denotes to long position in the shares of the Company.
2. MediNet International Limited is wholly and beneficially owned by Mr. Chan Chi Wai Nelson (“**Mr. Chan**”). Therefore, Mr. Chan is deemed to be interested in the shares of the Company held by MediNet International Limited under Part XV of the SFO. Mr. Chan is the sole director of MediNet International Limited.
3. Ms. Jiang Jie (“**Ms. Jiang**”) is the spouse of Mr. Chan. Accordingly, Ms. Jiang is deemed to be interested in the shares of the Company in which Mr. Chan is deemed to be interested under Part XV of the SFO.

Management Discussion and Analysis

(b) Long position in the shares of associated corporation of the Company

Name of associated corporation	Name of Director	Capacity/ Nature of interest	Number of shares held (Note 1)	Percentage of issued share capital
MediNet International Limited (Note 2)	Mr. Chan	Beneficial owner	5 (L)	100%
MediNet International Limited (Note 2)	Ms. Jiang	Interest of spouse (Note 3)	5 (L)	100%

Notes:

1. The letter "L" denotes to the long position in the shares of the Company.
2. The entire issued share capital of MediNet International Limited is legally and beneficially owned by Mr. Chan.
3. Ms. Jiang is the spouse of Mr. Chan. Ms. Jiang is deemed to be interested in all the shares in which Mr. Chan is interested under Part XV of the SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors nor chief executive of the Company has registered an interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be 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 (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Management Discussion and Analysis

B. Substantial shareholders' and other persons' interests and short positions in shares, underlying shares and debentures of the Company

As at 31 December 2017, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interest or short positions in the shares or underlying shares of the Company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of Substantial Shareholder	Capacity/Nature of interest	Number of Shares held/ interested in (Note 1)	Percentage of total issued share capital of the Company
MediNet International Limited	Beneficial owner (Note 2)	585,000,000 (L)	56.25%
NSD Capital Limited (" NSD Capital ")	Beneficial owner (Note 3)	195,000,000 (L)	18.75%
Convoy Fund Management Limited (formerly known as DRL Capital Investment Management Limited " CFM ")	Interest of a controlled corporation (Note 3)	195,000,000 (L)	18.75%
Convoy Global Holdings Limited (formerly known as Convoy Financial Holdings Limited) (" Convoy Global ")	Interest of a controlled corporation (Note 3)	195,000,000 (L)	18.75%

Notes:

1. The letter "L" denotes to long position in the shares of the Company.
2. MediNet International Limited is wholly and beneficially owned by Mr. Chan. Therefore, Mr. Chan is deemed to be interested in the shares of the Company held by MediNet International Limited under Part XV of SFO. Mr. Chan is the sole director of MediNet International Limited.
3. NSD Capital is an exempted company incorporated in the Cayman Islands with limited liability, the management shares of which are wholly owned by CFM, a wholly owned subsidiary of Convoy Global (a company listed on the Main Board of the Stock Exchange (stock code: 1019)). Therefore, each of CFM and Convoy Global is deemed to be interested in the shares of the Company held by NSD Capital under the SFO.

Save as disclosed above, as at 31 December 2017 and so far as is known to the Directors, no person (other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporation" above) who had an interest or short position in the shares or underlying shares of the Company that was required to be entered in the register of the Company pursuant to Section 336 of the SFO.

Other Information

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the Controlling Shareholder nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 31 December 2017.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Messis Capital Limited, as at 31 December 2017, save for the compliance adviser agreement dated 20 November 2015 and entered into between the Company and Messis Capital Limited, neither Messis Capital Limited, its directors, employees and associates had any interests in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALES OF REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2017.

CORPORATE GOVERNANCE CODE

Pursuant to the code provision A.2.1 of the Corporate Governance Code ("**CG Code**"), as set out in Appendix 15 of the GEM Listing Rules, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Chan currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

As at 31 December 2017, save as disclosed above, the Company has complied with the applicable code provisions of the CG Code.

Other Information

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) on terms no less exacting than the required standards of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Model Code during the nine months ended 31 December 2017.

DIVIDEND

The Board does not recommend the payment of interim dividend for the nine months ended 31 December 2017.

AUDIT COMMITTEE

The Company established an audit committee (“**Audit Committee**”) with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the internal control and risk management systems, the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report, interim report and quarterly reports before submission to the Board. The Audit Committee consists of three members, namely Dr. Lieu Geoffrey Sek Yiu, Mr. Leung Po Hon and Mr. Wong Wai Leung, all being independent non-executive Directors of the Company. Mr. Leung Po Hon currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017.

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

Hong Kong, 14 February 2018

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