

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)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twenty-five (25) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 1,040,000,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 41,600,000 Consolidated Shares in issue which are fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will be changed to 4,000 Consolidated Shares.

Based on the closing price of HK\$0.041 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 4,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$4,100.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation, the proposed change in board lot size and the notice convening the EGM is expected to be despatched to the Shareholders on or before 26 July 2022.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twenty-five (25) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, there are 1,040,000,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 41,600,000 Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation and change in board lot size are expected to become effective on 15 August 2022 subject to the fulfilment of the above conditions.

Listing Application

An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will be changed to 4,000 Consolidated Shares.

Based on the closing price of HK\$0.041 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 4,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$4,100.

REASONS FOR AND BENEFITS OF THE PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the Company to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and updated on 1 October 2020) has further stated that (i) market price of the Existing Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Over the past 12 months, the existing board lot value of the Company has been constantly less than HK\$2,000 and the Existing Shares has been trading at a closing price below HK\$0.10. The Board considers that the proposed Share Consolidation, resulting in a theoretical value of HK\$1.025 per Consolidated Share (based on the closing price of HK\$0.041 per Existing Share as at the date of this announcement), would enable the Company to comply with the trading requirements under the GEM Listing Rules. Further, it is expected that the Share Consolidation will increase the nominal value of the Shares. Accordingly, the Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises and/or other corporate actions when suitable fund raising opportunities arise for future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation are in the best interest of the Company and the Shareholders as a whole.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Monday, 15 August 2022, Shareholders may on or after Monday, 15 August 2022 and until Wednesday, 21 September 2022 (both days inclusive), submit their existing share certificates in green colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates in blue colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of share certificates.

After 4:10 p.m. on Monday, 19 September 2022, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in green colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and date
-------	---------------

2022

Despatch date of circular with notice of the EGM	on or before Tuesday, 26 July
--	----------------------------------

Latest time for lodging transfers of shares in order to qualify for attendance and voting at the EGM.....	4:30 p.m. on Friday, 5 August
--	----------------------------------

Register of members closes (both days inclusive).....	Monday, 8 August to Thursday, 11 August
---	--

Latest time for lodging forms of proxy for the EGM.....	3:00 p.m. on Tuesday, 9 August
---	-----------------------------------

Record date for attendance and voting at the EGM	Thursday, 11 August
--	---------------------

Date and time of the EGM (or immediately after the annual general meeting of the Company to be held on the same date).....	3:00 p.m. on Thursday, 11 August
--	-------------------------------------

Publication of the announcement of the results of the EGM	Thursday, 11 August
---	---------------------

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation	Monday, 15 August
---	-------------------

First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Monday, 15 August
---	-------------------

Dealing in the Consolidated Shares commences.....	9:00 a.m. on Monday, 15 August
---	-----------------------------------

Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes.....	9:00 a.m. on Monday, 15 August
--	-----------------------------------

Event**Time and date****2022**

Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Monday, 15 August
Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens.....	9:00 a.m. on Monday, 29 August
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Monday, 29 August
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Monday, 29 August
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Monday, 19 September
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 19 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends	4:10 p.m. on Monday, 19 September
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Wednesday, 21 September

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation, the proposed change in board lot size and the notice convening the EGM is expected to be despatched to the Shareholders on or before 26 July 2022.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	MediNet Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM (Stock code: 8161)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held on 11 August 2022
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective

“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of directors of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every twenty-five (25) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 4 July 2022

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. Kwok Sze Chi.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

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