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## **MediNet Group Limited**

**醫匯集團有限公司**

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

**(Stock code: 8161)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its publication and on the Company’s website at [www.MediNetGroup.com](http://www.MediNetGroup.com).*

## **FINANCIAL HIGHLIGHTS**

- The revenue of the Group amounted to approximately HK\$58.7 million for the six months ended 30 September 2022, representing a decrease of approximately HK\$7.6 million as compared with the six months ended 30 September 2021.
- The loss for the period of the Group is approximately HK\$0.2 million for the six months ended 30 September 2022 (30 September 2021: profit for the period of approximately HK\$0.2 million).
- The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 September 2022.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2022*

|   |              | <b>Six months ended</b> |                     |
|---|--------------|-------------------------|---------------------|
|   |              | <b>30 September</b>     |                     |
|   |              | <b>2022</b>             | 2021                |
|   | <i>Notes</i> | <b>HK\$'000</b>         | <b>HK\$'000</b>     |
|   |              | <b>(Unaudited)</b>      | <b>(Unaudited)</b>  |
| Revenue   | 3            | <b>58,723</b>           | 66,316              |
| Other income  | 4            | <b>2,287</b>            | 518                 |
| Other loss  |              | (7)                     | –                   |
| Medical and dental professional services expenses                       |              | <b>(21,463)</b>         | (24,184)            |
| Staff costs   |              | <b>(18,762)</b>         | (21,110)            |
| Depreciation of property, plant and equipment                           |              | <b>(1,265)</b>          | (1,474)             |
| Depreciation of right-of-use assets                                     |              | <b>(4,746)</b>          | (4,744)             |
| Cost of medical and dental supplies                                     |              | <b>(6,176)</b>          | (6,420)             |
| Rental expenses   |              | <b>(1,424)</b>          | (452)               |
| Other expenses  |              | <b>(6,252)</b>          | (7,261)             |
| Amortisation of intangible assets                                       |              | <b>(786)</b>            | (786)               |
| Interest on lease liabilities   |              | <b>(316)</b>            | (341)               |
|   |              | <hr/>                   | <hr/>               |
| (Loss) profit before taxation   | 5            | <b>(187)</b>            | 62                  |
| Income tax credit   | 6            | <b>26</b>               | 163                 |
|   |              | <hr/>                   | <hr/>               |
| (Loss) profit for the period  |              | <b>(161)</b>            | 225                 |
|   |              | <hr/>                   | <hr/>               |
| (Loss) profit for the period attributable to:                           |              |                         |                     |
| Owners of the Company   |              | <b>(45)</b>             | 225                 |
| Non-controlling interest  |              | <b>(116)</b>            | –                   |
|   |              | <hr/>                   | <hr/>               |
|   |              | <b>(161)</b>            | 225                 |
|   |              | <hr/>                   | <hr/>               |
| Other comprehensive income (expense)<br>for the period                  |              |                         |                     |
| <i>Item that may be subsequently reclassified to<br/>profit or loss</i> |              |                         |                     |
| Exchange differences arising on translation                             |              | <b>373</b>              | (107)               |
|   |              | <hr/>                   | <hr/>               |
| Total comprehensive income for the period                               |              | <b>212</b>              | 118                 |
|   |              | <hr/> <hr/>             | <hr/> <hr/>         |
| (Loss) earnings per share — Basic and Diluted<br>(Hong Kong cents)      | 8            | <b>(0.107)</b>          | (Restated)<br>0.542 |
|   |              | <hr/> <hr/>             | <hr/> <hr/>         |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

|                                       |              | At<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|---------------------------------------|--------------|--|--|
|                                       | <i>Notes</i> |  |  |
| <b>Non-current assets</b>             |              |  |  |
| Property, plant and equipment         | 9            | 3,998  | 4,565  |
| Right-of-use assets                   |              | 12,617   | 13,128   |
| Other intangible assets               |              | 785  | 1,571  |
| Goodwill                              |              | 19,483   | 19,483   |
| Rental deposits                       | 10           | 1,815  | 1,730  |
| Deferred tax assets                   |              | 1,365  | 1,364  |
|                                       |              | <b>40,063</b>  | 41,841   |
| <b>Current assets</b>                 |              |  |  |
| Inventories                           |              | 386  | 492  |
| Accounts and other receivables        | 10           | 9,107  | 9,511  |
| Amounts due from related parties      |              | –  | 361  |
| Tax recoverable                       |              | 182  | 655  |
| Bank balances and cash                |              | 19,976   | 15,600   |
|                                       |              | <b>29,651</b>  | 26,619   |
| <b>Current liabilities</b>            |              |  |  |
| Accounts and other payables           | 11           | 11,615   | 9,360  |
| Contract liabilities                  | 11           | 6,540  | 7,448  |
| Lease liabilities                     |              | 7,456  | 7,590  |
| Provision for reinstatement costs     |              | 438  | 438  |
| Amount due to a related party         |              | 1,017  | 739  |
| Tax payable                           |              | 320  | 200  |
|                                       |              | <b>27,386</b>  | 25,775   |
| Net current assets                    |              | <b>2,265</b>   | 844  |
| Total assets less current liabilities |              | <b>42,328</b>  | 42,685   |

|  |    | At<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|--|----|--|--|
| Non-current liabilities                      |    |  |  |
| Lease liabilities                            |    | 4,802  | 5,257  |
| Deferred tax liabilities                     |    | 81   | 337  |
| Provision for reinstatement costs            |    | 595  | 453  |
|  |    | <u>5,478</u>   | <u>6,047</u>   |
| Net assets                                   |    | <u>36,850</u>  | <u>36,638</u>  |
| Capital and reserves                         |    |  |  |
| Share capital                                | 12 | 10,400   | 10,400   |
| Reserves                                     |    | 26,727   | 26,399   |
|  |    | <u>37,127</u>  | <u>36,799</u>  |
| Equity attributable to owners of the Company |    | 37,127   | 36,799   |
| Non-controlling interests                    |    | (277)  | (161)  |
|  |    | <u>36,850</u>  | <u>36,638</u>  |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2022*

|  | Attributable to owners of the Company |                              |   |                                |                                 |                                   | Subtotal<br>HK\$'000 | Non-<br>controlling<br>interests<br>HK\$'000 | Total<br>HK\$'000 |
|--|---------------------------------------|------------------------------|---|--------------------------------|---------------------------------|-----------------------------------|----------------------|--|-------------------|
|  | Share<br>capital<br>HK\$'000          | Share<br>premium<br>HK\$'000 | Other<br>reserve<br>HK\$'000<br><i>(note)</i> | Special<br>reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 |                      |  |                   |
| At 1 April 2022 (audited)                      | 10,400                                | 51,853                       | (1,253)                                       | 20,515                         | 5                               | (44,721)                          | 36,799               | (161)  | 36,638            |
| Loss for the period                            | -                                     | -                            | -   | -                              | -                               | (45)                              | (45)                 | (116)  | (161)             |
| Exchange differences arising<br>on translation | -                                     | -                            | -   | -                              | 373                             | -                                 | 373                  | -  | 373               |
| Total comprehensive income<br>for the period   | -                                     | -                            | -   | -                              | 373                             | (45)                              | 328                  | (116)  | 212               |
| At 30 September 2022<br>(unaudited)            | <u>10,400</u>                         | <u>51,853</u>                | <u>(1,253)</u>                                | <u>20,515</u>                  | <u>378</u>                      | <u>(44,766)</u>                   | <u>37,127</u>        | <u>(277)</u>                                 | <u>36,850</u>     |
| At 1 April 2021 (audited)                      | 10,400                                | 51,853                       | (1,253)                                       | 20,515                         | 38                              | (38,505)                          | 43,048               | -  | 43,048            |
| Profit for the period                          | -                                     | -                            | -   | -                              | -                               | 225                               | 225                  | -  | 225               |
| Exchange differences arising<br>on translation | -                                     | -                            | -   | -                              | (107)                           | -                                 | (107)                | -  | (107)             |
| Total comprehensive expense<br>for the period  | -                                     | -                            | -   | -                              | (107)                           | 225                               | 118                  | -  | 118               |
| At 30 September 2021<br>(unaudited)            | <u>10,400</u>                         | <u>51,853</u>                | <u>(1,253)</u>                                | <u>20,515</u>                  | <u>(69)</u>                     | <u>(38,280)</u>                   | <u>43,166</u>        | <u>-</u>                                     | <u>43,166</u>     |

*Note:* 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 a shareholder. The loan was settled during the year ended 31 March 2016.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

|   | Six months ended<br>30 September |                |
|---|----------------------------------|----------------|
|   | 2022                             | 2021           |
|   | HK\$'000                         | HK\$'000       |
|   | (Unaudited)                      | (Unaudited)    |
| NET CASH FROM OPERATING ACTIVITIES  | <u>8,817</u>                     | <u>9,025</u>   |
| INVESTING ACTIVITIES  |                                  |                |
| Purchase of property, plant and equipment   | (701)                            | (196)          |
| Repayment from related parties  | 638                              | 104            |
| Interest received   | <u>1</u>                         | <u>1</u>       |
| NET CASH USED IN INVESTING ACTIVITIES   | <u>(62)</u>                      | <u>(91)</u>    |
| CASH USED IN FINANCING ACTIVITY   |                                  |                |
| Repayment of lease liabilities, including<br>related interests                                  | <u>(4,728)</u>                   | <u>(6,245)</u> |
| NET INCREASE IN CASH AND<br>CASH EQUIVALENTS  | 4,027                            | 2,689          |
| Effect of foreign exchange rate changes   | 349                              | 35             |
| CASH AND CASH EQUIVALENTS<br>AT THE BEGINNING OF THE PERIOD                                     | <u>15,600</u>                    | <u>20,652</u>  |
| CASH AND CASH EQUIVALENTS AT<br>THE END OF THE PERIOD,<br>represented by bank balances and cash | <u>19,976</u>                    | <u>23,376</u>  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2022*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2022.

### **Application of amendments to HKFRSs**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

|                       |  |
|-----------------------|--|
| Amendments to HKFRS 3 | Reference to the Conceptual Framework                        |
| Amendments to HKAS 16 | Property, Plant and Equipment — Proceeds before Intended Use |
| Amendments to HKAS 37 | Onerous Contracts — Cost of Fulfilling a Contract            |
| Amendments to HKFRSs  | Annual Improvements to HKFRSs 2018–2020                      |

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



### **3. REVENUE AND SEGMENT INFORMATION**

Dental solutions and dental services consists of (i) dental solutions provided to corporations, insurance companies and individual customers; and (ii) dental services and invisible aligners treatment services provided to self-paid patients who pay out of their own expense below.

#### **Dental solutions**

The Group's dental solutions services represent annual retainer fee derived from annual retainer contracts entered with corporations, insurance companies and individual customers. The customers would generally pay a fixed amount of annual fee per plan member and each plan member would generally be entitled to certain dental services free of charge or at specified prices with or without additional payments when visiting to the Group's dental clinics throughout a year. The performance obligations of the provision of dental solutions services to the customers are to provide dental solutions services to these customers, while these customers are entitled to consume the dental services simultaneously.

The Group satisfied the performance obligation by providing dental solutions services to corporations, insurance companies and individual customers within the agreed contract period and these customers would be entitled to consume dental services throughout the contract period. As the directors of the Group considered the Group has fulfilled its performance obligations throughout a period of time and revenue is therefore recognised throughout the service period.

#### **Dental services**

The Group's general dental services represent dental care services such as scaling and polishing, fillings, intra-oral X-rays and routine oral examination to patients. Generally, the Group charges one-off general dental service fee based on an agreed pricing for a specific dental service. The Group is obliged to perform the general dental service carried out by dentists or hygienists to patients. Upon completion of the performance of general dental services at dental clinics, the Group has fulfilled its performance obligations and revenue is therefore recognised at a point in time.

For invisible aligners treatment services, the Group satisfies the performance obligation by performing consultation services to move and align patients' teeth under dentists' instruction and control. Revenue is recognised over the time where the patient received and consumed the benefits of the movement and alignment of patients' teeth simultaneously. As the directors considered the Group has fulfilled its performance obligations throughout a period of time and revenue is therefore recognised throughout the service period.

Medical solutions and medical services consist of (i) medical solutions provided to corporations and insurance companies; and (ii) medical services provided to self-paid patients who pay out of their own expense below.

### **Medical solutions**

The Group's medical solutions represent annual retainer fee derived from Annual Retainer Contracts entered with corporations. The customers would generally pay a fixed amount of annual fee per plan member and each plan member would generally be entitled to certain medical services free of charge or at specified prices for specific medical solutions with or without additional payments when visiting to the Group's medical clinics throughout a year. The performance obligations of the provision of medical solutions to the customers including general practitioner consultation services, immunization services, body checkup and men's health medical services, while these customers are entitled to consume the medical solutions simultaneously. The Group satisfies the performance obligation by providing continuous medical solutions to corporations' employees within the period of Annual Retainer Contracts and corporations' employees would be entitled to consume the medical solutions throughout the contract period. As the directors of the Company considered the Group has fulfilled its performance obligations throughout a period of time and revenue is therefore recognised over time in a pattern which approximates to time elapsed.

The Group's medical solutions to insurance companies represent the provision of medical solutions including general practitioner consultation services, immunization services and body checkup. Generally, the Group charges the insurance companies on a pre-agreed fee rate based on the medical solutions provided. Upon completion of the medical solutions, the Group has fulfilled its performance obligations and revenue is therefore recognised at a point in time.

### **Medical services**

The Group operates medical clinics to provide general medical and men's health medical services to patients mainly general practitioner consultation services, immunization services, body checkup and men's health medical services. Upon completion of the performance of general medical and men's health services at medical clinics, the Group has fulfilled its performance obligations and revenue is therefore recognised at a point in time.

The following is an analysis of the Group's revenue and results by operating segments:

**Six months ended 30 September 2022**

|                       | Dental solutions and dental services<br><i>HK\$'000</i><br>(Unaudited) | Medical solutions and medical services<br><i>HK\$'000</i><br>(Unaudited) | Segment total<br><i>HK\$'000</i><br>(Unaudited) | Eliminations<br><i>HK\$'000</i><br>(Unaudited) | Total<br><i>HK\$'000</i><br>(Unaudited) |
|-----------------------|--|--|---|--|---|
| SEGMENT REVENUE       |  |  |   |  |   |
| External revenue      | 36,756   | 21,967   | 58,723  | –  | 58,723                                  |
| Inter-segment revenue | 297  | 2,433  | 2,730   | (2,730)  | –                                       |
| Segment revenue       | <u>37,053</u>  | <u>24,400</u>  | <u>61,453</u>                                   | <u>(2,730)</u>                                 | <u>58,723</u>                           |
| Segment loss          | <u>(438)</u>   | <u>(771)</u>   | <u>(1,209)</u>                                  |  | (1,209)                                 |
| Unallocated expenses  |  |  |   |  | (1,022)                                 |
| Unallocated income    |  |  |   |  | <u>2,044</u>                            |
| Loss before taxation  |  |  |   |  | <u>(187)</u>                            |

**Six months ended 30 September 2021**

|                        | Dental solutions and dental services<br><i>HK\$'000</i><br>(Unaudited) | Medical solutions and medical services<br><i>HK\$'000</i><br>(Unaudited) | Segment total<br><i>HK\$'000</i><br>(Unaudited) | Eliminations<br><i>HK\$'000</i><br>(Unaudited) | Total<br><i>HK\$'000</i><br>(Unaudited) |
|------------------------|--|--|---|--|---|
| SEGMENT REVENUE        |  |  |   |  |   |
| External revenue       | 40,552   | 25,764   | 66,316  | –  | 66,316                                  |
| Inter-segment revenue  | 542  | 3,176  | 3,718   | (3,718)  | –                                       |
| Segment revenue        | <u>41,094</u>  | <u>28,940</u>  | <u>70,034</u>                                   | <u>(3,718)</u>                                 | <u>66,316</u>                           |
| Segment profit (loss)  | <u>(628)</u>   | <u>1,810</u>   | <u>1,182</u>                                    |  | 1,182                                   |
| Unallocated expenses   |  |  |   |  | (1,398)                                 |
| Unallocated income     |  |  |   |  | 278                                     |
| Unallocated losses     |  |  |   |  | –                                       |
| Profit before taxation |  |  |   |  | <u>62</u>                               |

## Revenue from type of services

|  | Six months ended<br>30 September |                                 |
|--|----------------------------------|---------------------------------|
|  | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Provision of healthcare solutions to contract customers, which mainly comprise of corporations and insurance companies:  |                                  |                                 |
| Medical solutions  |                                  |                                 |
| — Insurance companies  | 9,600                            | 11,141                          |
| — Corporations   | 3,885                            | 4,522                           |
|  | <u>13,485</u>                    | <u>15,663</u>                   |
| Dental solutions   | 2,139                            | 2,697                           |
| 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   | 8,482                            | 10,101                          |
| Dental services  | 34,617                           | 37,855                          |
|  | <u>58,723</u>                    | <u>66,316</u>                   |

## 4. OTHER INCOME

|                                  | Six months ended<br>30 September |                                 |
|----------------------------------|----------------------------------|---------------------------------|
|                                  | 2022<br>HK\$'000<br>(Unaudited)  | 2021<br>HK\$'000<br>(Unaudited) |
| Bank interest income             | 1                                | 1                               |
| Rental income                    | 180                              | 180                             |
| Rent concession                  | 243                              | 240                             |
| Government grant ( <i>note</i> ) | 1,822                            | –                               |
| Others                           | 41                               | 97                              |
|                                  | <u>2,287</u>                     | <u>518</u>                      |

*Note:* During the current period, approximately HK\$1,822,000 as government grants have been recognised in respect of Covid-19 related subsidies which relates to Employment Support Scheme provided by the Hong Kong government.

## 5. (LOSS) PROFIT BEFORE TAXATION

|   | Six months ended<br>30 September |             |
|---|----------------------------------|-------------|
|   | 2022                             | 2021        |
|   | HK\$'000                         | HK\$'000    |
|   | (Unaudited)                      | (Unaudited) |
| (Loss) profit before taxation has been arrived at after charging:         |                                  |             |
| Directors' remuneration   | 2,372                            | 2,496       |
| Salaries and allowance for staff excluding directors                      | 16,073                           | 18,206      |
| Retirement benefit scheme contributions for staffs<br>excluding directors | 317                              | 408         |
| Total staff costs   | 18,762                           | 21,110      |
| Medical and dental professional services expenses                         | 21,463                           | 24,184      |
| Cost of inventories recognised as an expense                              | 6,176                            | 6,420       |
| Operating lease rentals   | 1,424                            | 452         |
| Auditor's remuneration  | 150                              | 150         |

## 6. INCOME TAX CREDIT

|                                     | Six months ended<br>30 September |             |
|-------------------------------------|----------------------------------|-------------|
|                                     | 2022                             | 2021        |
|                                     | HK\$'000                         | HK\$'000    |
|                                     | (Unaudited)                      | (Unaudited) |
| Current tax — Hong Kong Profits Tax | (231)                            | (128)       |
| Deferred tax credit                 | 257                              | 291         |
|                                     | 26                               | 163         |

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

## 7. DIVIDENDS

The directors of the Company do not recommend any interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

## 8. (LOSS) EARNINGS PER SHARE

|   | <b>Six months ended</b> |                           |
|---|-------------------------|---------------------------|
|   | <b>30 September</b>     |                           |
|   | <b>2022</b>             | 2021                      |
|   | <b>HK\$'000</b>         | HK\$'000                  |
|   | <b>(Unaudited)</b>      | (Unaudited)               |
| (Loss) profit for the purpose of calculating basic (loss) earnings per share for the period               | <u>(45)</u>             | <u>225</u>                |
|   | <i>'000</i>             | <i>'000</i><br>(Restated) |
| Number of shares:   |                         |                           |
| Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share | <u><b>41,600</b></u>    | <u>41,600</u>             |

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

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group spent approximately HK\$701,000 (six months ended 30 September 2021: HK\$196,000), during the period on acquisition of property, plant and equipment for the purpose of expanding and upgrading the Group's capacity for operation.

## 10. ACCOUNTS AND OTHER RECEIVABLES, RENTAL DEPOSITS

|  | At<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|--|--|--|
| Accounts receivables   | 5,543  | 4,832  |
| Other receivables  |  |  |
| — Other receivables  | 1,363  | 1,088  |
| — Prepayments  | 1,771  | 2,069  |
| — Rental and utility deposits  | 2,245  | 3,252  |
|  | <hr/>  | <hr/>  |
| Total accounts and other receivables                                       | 10,922   | 11,241   |
| Less: Receivables within twelve months shown<br>under current assets       | (9,107)  | (9,511)  |
|  | <hr/>  | <hr/>  |
| Rental deposits shown under non-current assets                             | 1,815  | 1,730  |
|  | <hr/>  | <hr/>  |
| Presented in the condensed consolidated<br>statement of financial position |  |  |
| — Rental deposits  | 1,815  | 1,730  |
|  | <hr/>  | <hr/>  |

The customers of the Group would usually settle payments by cash, credit cards and Easy Pay System (“EPS”). For credit card and EPS payments, the banks will normally settle the amounts a few days after the trade date. Payments by customers using medical cards will normally be settled by the medical card issuing companies or banks within 60 to 90 days from the invoice dates.

The following is an aged analysis of accounts receivables based on the invoice date:

|                | At<br>30 September<br>2022<br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|----------------|--|--|
| Within 30 days | 5,239  | 2,446  |
| 31 to 60 days  | 56   | 2,166  |
| 61 to 90 days  | 188  | 210  |
| 91 to 180 days | 60   | 10   |
|                | <hr/>  | <hr/>  |
|                | 5,543  | 4,832  |
|                | <hr/>  | <hr/>  |

## 11. ACCOUNTS AND OTHER PAYABLES AND CONTRACT LIABILITIES

### (A) Accounts and other payables

|                   | At<br><b>30 September</b><br><b>2022</b><br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|-------------------|--|--|
| Accounts payables | 2,796  | 4,948  |
| Other payables    | 5,727  | 1,231  |
| Accrued expenses  | 3,092  | 3,181  |
|                   | <u>11,615</u>  | <u>9,360</u>   |

The credit period of accounts payables is from 30 to 120 days.

The following is an aged analysis of accounts payables based on the invoice date at the end of each period:

|                | At<br><b>30 September</b><br><b>2022</b><br><i>HK\$'000</i><br>(Unaudited) | At<br>31 March<br>2022<br><i>HK\$'000</i><br>(Audited) |
|----------------|--|--|
| Within 30 days | 1,383  | 1,846  |
| 31 to 60 days  | 443  | 2,936  |
| 61 to 90 days  | 804  | 55   |
| 91 to 180 days | 166  | 111  |
|                | <u>2,796</u>   | <u>4,948</u>   |

### (B) Contract liabilities

Contract liabilities represent advance payments from customers which would be expected to be fully recognised as revenue approximately within two years from the end of reporting period.



## 12. SHARE CAPITAL

The share capital of the Group at 30 September 2022 represented the issued and fully paid share capital of the Company up to 30 September 2022:

|   | <b>Number<br/>of shares</b> | <b>Amount<br/>HK\$</b> |
|---|-----------------------------|------------------------|
| Authorised:   |                             |                        |
| Ordinary shares of HK\$0.01 each  |                             |                        |
| At 1 April 2021, 31 March 2022 and<br>1 April 2022 (audited)                | 5,000,000,000               | 50,000,000             |
| Share consolidation ( <i>Note</i> )   | <u>(4,800,000,000)</u>      | <u>–</u>               |
| Ordinary shares of HK\$0.25 each<br><b>At 30 September 2022 (unaudited)</b> | <u>200,000,000</u>          | <u>50,000,000</u>      |
| Issued and fully paid:  |                             |                        |
| Ordinary shares of HK\$0.01 each  |                             |                        |
| At 1 April 2021, 31 March 2022 and<br>1 April 2022 (audited)                | 1,040,000,000               | 10,400,000             |
| Share consolidation ( <i>Note</i> )   | <u>(998,400,000)</u>        | <u>–</u>               |
| Ordinary shares of HK\$0.25 each<br><b>At 30 September 2022 (unaudited)</b> | <u>41,600,000</u>           | <u>10,400,000</u>      |

*Note:*

Share consolidation

Pursuant to the Extraordinary General Meeting of the Company passed on 11 August 2022 and the approval granted by the GEM Listing Committee of the Hong Kong Stock Exchange, the share consolidation set out below became effective on 15 August 2022.

Every twenty-five (25) issued and unissued shares of par value of HK\$0.01 each of the Company be consolidated into one (1) consolidated share of par value of HK\$0.25 in the capital of the Company.

### 13. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

|                           | Six months ended |              |
|---------------------------|------------------|--------------|
|                           | 30 September     |              |
|                           | 2022             | 2021         |
|                           | HK\$'000         | HK\$'000     |
|                           | (Unaudited)      | (Unaudited)  |
| Short-term benefits       | 3,386            | 3,857        |
| Post-employments benefits | 36               | 41           |
|                           | <u>3,422</u>     | <u>3,898</u> |

Other than the above, the Group entered into the following related party transactions during the period:

| Related party                        | Relationship    | Nature of transaction                | Six months ended  |                   |
|--------------------------------------|-----------------|--------------------------------------|-------------------|-------------------|
|                                      |                 |                                      | 30 September      |                   |
|                                      |                 |                                      | 2022              | 2021              |
|                                      |                 |                                      | HK\$'000          | HK\$'000          |
|                                      |                 |                                      | (Unaudited)       | (Unaudited)       |
| Face Factor Limited                  | Related company | Rental income                        | 180               | 180               |
| I-Teeth Limited                      | Related company | Dental professional services expense | 5,970             | 7,122             |
|                                      |                 | Rental expense                       | 48                | 48                |
| Karvin Investment Limited            | Related company | Rental expense                       | 150               | 150               |
| Times Insurance Consultants Limited  | Related company | Commission expense                   | 96                | 160               |
| Dr. Chiu Chong Po Kenny <sup>1</sup> | Related party   | Rental expense                       | 252               | 252               |
|                                      |                 |                                      | <u>          </u> | <u>          </u> |

<sup>1</sup> Dr. Chiu is a key management personnel of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INTRODUCTION**

MediNet is one of the well-known corporate healthcare solution providers in Hong Kong for more than 25 years. We are principally engaged in the provision of medical and dental solutions to corporates and insurance companies. Based on the client's need, budget and scope of healthcare benefits desire, we provide customized, reliable, coordinated, comprehensive healthcare solutions for our contract customers. We also self-operated six dental clinics, two medical centres and one genetics laboratory centre in Hong Kong and one dental clinic in Shenzhen. Our goal is to help our clients to build a strong body and maintain their health while facing different goals and challenges in their everyday lives.

### **BUSINESS REVIEW AND OUTLOOK**

For the period under review, the Group's revenue was HK\$58.7 million, as compared with approximately HK\$66.3 million for the six months ended 30 September 2021, representing a decrease by approximately 11.4% or approximately HK\$7.6 million. The net loss attributable to owners of the Company was approximately HK\$161,000 (six months ended 30 September 2021: a net profit approximately HK\$225,000). The decrease was mainly due to the persistent outbreak of COVID-19 pandemic which adversely affected the number of visits and revenue from self-paid patients.

Despite the impact of COVID-19, revenue for the 3 months ended 30 September 2022 (the "2Q") improved gradually as compared to the 3 months ended 30 June 2022 (the "1Q"). Revenue of 2Q was approximately HK\$30.3 million (1Q: approximately HK\$28.4 million) with an increase of 6.7%.

Going forward, it is generally expected that the economic and general impact of COVID-19 will start diminishing in Hong Kong. Our management team will further strengthen our efforts in the dental business and continue to seize the opportunity to broaden the sources of income and economize on the expenditure, thus, creating sustainable value to our shareholders, clients, staff and society.

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased from approximately HK\$66.3 million for the six months ended 30 September 2021 to approximately HK\$58.7 million for the six months ended 30 September 2022. The following table sets forth a breakdown of the Group's revenue with comparative figure:

|   | <b>Six months<br/>ended<br/>30 September<br/>2022<br/>HK\$'000</b> | Six months<br>ended<br>30 September<br>2021<br>HK\$'000 | Increase/<br>(decrease)<br>% |
|---|--|---|------------------------------|
| Medical solutions to contract customers | <b>13,485</b>  | 15,663  | (13.9)                       |
| Medical services to self-paid patients  | <b>8,482</b>   | 10,101  | (16.0)                       |
| Dental solutions to contract customers  | <b>2,139</b>   | 2,697   | (20.7)                       |
| Dental services to self-paid patients   | <b>34,617</b>  | 37,855  | (8.6)                        |
|   | <b><u>58,723</u></b>   | <u>66,316</u>   |                              |

The revenue of medical solutions to contract customers decreased by approximately 13.9% from approximately HK\$15.7 million for the six months ended 30 September 2021 to approximately HK\$13.5 million for the six months ended 30 September 2022, which was primarily due to the decrease in the number of visits of contract customers.

The revenue of medical services to self-paid patients also decreased by approximately 16.0% from approximately HK\$10.1 million for the six months ended 30 September 2021 to approximately HK\$8.5 million for the six months ended 30 September 2022, which was primarily due to the decrease in demand from self-paid patients for medical consultation service.

The revenue of dental solutions to contract customers decreased by approximately 20.7% from approximately HK\$2.7 million for the six months ended 30 September 2021 to approximately HK\$2.1 million for the six months ended 30 September 2022, which was primarily due to the decrease in the number of contract customers for dental solutions.

The revenue of dental services to self-paid patients decreased by approximately 8.6% from approximately HK\$37.9 million for the six months ended 30 September 2021 to approximately HK\$34.6 million for the six months ended 30 September 2022, which was primarily due to the decrease in the number of visits from patients seeking secondary dental services.

## **Other income**

Other income significantly increased by approximately 341.5% from approximately HK\$0.5 million for the six months ended 30 September 2021 to approximately HK\$2.3 million for the six months ended 30 September 2022 which was primarily due to the presence of Employment Support Scheme from Hong Kong Government to subsidize salary payment.

## **Medical and dental professional services expenses**

Medical and dental professional services expenses primarily comprised of fees paid to (i) affiliated doctors and affiliated auxiliary services providers rendered within the MediNet Network; (ii) engaging external specialist dentist; (iii) third party laboratories for services rendered to the Group; and (iv) the Group's doctors and dentists.

The Group's medical and dental professional services expenses decreased by 11.3% from approximately HK\$24.2 million for the six months ended 30 September 2021 to approximately HK\$21.5 million for the six months ended 30 September 2022, which was primarily due to the decrease in aggregate amount paid to affiliated doctors, affiliated auxiliary services providers, external dentists and doctors as well as third party laboratories services.

## **Staff costs**

Staff costs decreased by approximately 11.1% from approximately HK\$21.1 million for six months ended 30 September 2021 to HK\$18.8 million for the six months ended 30 September 2022, which was primarily due to the decrease in number of staff during the six months ended 30 September 2022.

## **Depreciation and Amortisation**

Depreciation of property, plant and equipment decreased from approximately HK\$1.5 million for the six months ended 30 September 2021 to approximately HK\$1.3 million for the six months ended 30 September 2022.

Depreciation of right-of-use assets remain stable at approximately HK\$4.7 million for the six months ended 30 September 2021 and 2022.

The Group recorded amortisation of intangible asset of approximately HK\$786,000 for both six months ended 30 September 2021 and 2022.

### **Cost of medical and dental supplies**

Cost of medical and dental supplies decreased by approximately 3.8% from approximately HK\$6.4 million for the six months ended 30 September 2021 to approximately HK\$6.2 million for the six months ended 30 September 2022.

### **Rental expenses**

The Group recorded rental expenses of approximately HK\$1.4 million for the six months ended 30 September 2022 which was primarily due to rental payment for short-term leases under the adoption of HKFRS 16 where lease payments on short-term lease are recognised as expenses on a straight-line basis over the lease term.

### **Other expenses**

Other expenses primarily comprises (i) general overhead and administrative expenses such as repair and maintenance expenses, printing costs and insurance expenses etc; (ii) professional and legal fees; (iii) utilities expenses; and (iv) bank charges mainly relating to credit card and instalment charges from bank. Other expenses decreased by approximately 13.9% from approximately HK\$7.3 million for the six months ended 30 September 2021 to approximately HK\$6.3 million for the six months ended 30 September 2022. Such decrease was primarily due to the effective cost control on general and administrative expenses.

### **Income tax credit**

The Group recorded income tax credit decreased from approximately HK\$163,000 for the six months ended 30 September 2021 to approximately HK\$26,000 for the six months ended 30 September 2022, primarily due to the tax losses of several subsidiaries available for utilisation for the six months ended 30 September 2021.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The current ratio of the Group as at 30 September 2022 was 1.1 times (31 March 2022: 1.0 times).

## **CAPITAL STRUCTURE**

The share consolidation of the Company's ordinary shares as announced on 4 July 2022 became effective on 15 August 2022, under which every twenty-five issued and unissued shares with a par value of HK\$0.01 each then existed were consolidated into one consolidated share with a par value of HK\$0.25.

As at 30 September 2022, the Company's issued share capital was HK\$10,400,000 and the number of its ordinary shares was 41,600,000 of HK\$0.25 each.

## **SEGMENT INFORMATION**

Segment information for the Group is presented in note 3 of the notes to the unaudited condensed consolidated financial statements.

## **SIGNIFICANT INVESTMENTS HELD, FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other significant investment held, future plans for material investment and capital assets as at 30 September 2022.

## **Material acquisitions and disposal of subsidiaries, associated and joint ventures**

The Group did not have any material acquisition or disposal of subsidiaries, associated and joint ventures.

## **CONTINGENT LIABILITIES**

As at 30 September 2022, the Group did not have any material contingent liabilities (31 March 2022: Nil).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2022, the Group had a total of 100 employees (30 September 2021: 106 employees). The staff costs including directors' remuneration in the form of salaries and other benefits was approximately HK\$19.2 million for the six months ended 30 September 2022 (30 September 2021: approximately HK\$19.9 million). Remuneration is determined with reference to market terms, performance, position, experience and seniority. The remuneration packages are normally renewed on annual basis based on performance appraisals and other relevant factors to ensure that the pay levels of our employees are competitive and are rewarded on a performance related basis.

In addition, the remuneration of the Directors are reviewed by the remuneration committee of the Company and approved by the Board, according to the relevant Director's experience, responsibility, workload and time devoted to the Group.

## DISCLOSURE OF INTERESTS

### A. Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at 30 September 2022, 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 position in the ordinary shares of the Company

| Name of Director         | Capacity/<br>Nature of interest            | Number of ordinary shares held,<br>capacity and nature of interest |  |
|--------------------------|--|--|--|
|                          |  | Number of<br>share held<br>(Note 1)                                | Approximate<br>percentage of<br>the Company's<br>issued share<br>capital |
| Mr. Chan Chi Wai, Nelson | Interest of controlled<br>company (Note 2) | 23,400,000 (L)   | 56.25%   |
| Ms. Jiang Jie            | Interest of spouse (Note 3)                | 23,400,000 (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.



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

| Name of associated corporation         | Name of Director | Capacity/<br>Nature of interest | Number of shares held<br>(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<br>(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 30 September 2022, 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.

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

As at 30 September 2022, 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 Shareholder  | Capacity and nature of interest                        | Number of ordinary shares held<br>( <i>Note 1</i> ) | Approximate percentage of the Company's issued share capital |
|--|--|---|--|
| Medinet International Limited  | Beneficial owner ( <i>Note 2</i> )                     | 23,400,000 (L)                                      | 56.25%   |
| NSD Capital Limited<br>("NSD Capital")   | Beneficial owner ( <i>Note 3</i> )                     | 7,800,000 (L)                                       | 18.75%   |
| Convoy Asset Management Limited ("CAM")  | Interest of a controlled Corporation ( <i>Note 3</i> ) | 7,800,000 (L)                                       | 18.75%   |
| Favour Sino Holdings Limited<br>("Favour Sino")  | Interest of a controlled Corporation ( <i>Note 3</i> ) | 7,800,000 (L)                                       | 18.75%   |
| Convoy (BVI) Limited<br>("Convoy (BVI)")   | Interest of a controlled Corporation ( <i>Note 3</i> ) | 7,800,000 (L)                                       | 18.75%   |
| Convoy Global Holdings Limited<br>(formerly known as Convoy Financial Holdings Limited)<br>("Convoy Global") | Interest of a controlled Corporation ( <i>Note 3</i> ) | 7,800,000 (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 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 of the Company held by NSD Capital under the SFO.

Save as disclosed above, as at 30 September 2022, none of the substantial shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section headed “Directors’ and chief executive’s interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations” above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under 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 of the Company 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 period ended 30 September 2022.

### **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 period ended 30 September 2022.

### **CORPORATE GOVERNANCE CODE**

The Board of the Company is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company’s corporate governance practices.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on CG code. Such policies and procedures provide the infrastructure for enhancing the Board’s ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In December 2021, the Stock Exchange has announced amendments to the CG code. The requirement under the new CG code will apply to corporate governance report of listed issuers for the financial year commencing on or after 1 January 2022.

During the nine months ended 30 September 2022, the Company has complied with the code provisions as set out in the CG Code except for the deviation from code provision C.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

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 30 September 2022, save as disclosed above, the Company has complied with the applicable code provisions of the CG Code.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Group has adopted the Model Code for Securities Transactions by directors 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 (the "**Required Standard of Dealings**"). Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the Required Standard of Dealings during the six months ended 30 September 2022.

## **DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2022.

## **EVENTS AFTER THE REPORTING PERIOD**

No significant events have taken place since the interim period for the six months ended 30 September 2022.

## AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 19 May 2016 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are, among other things, (i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditor; (ii) 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 (iii) 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 independent non-executive Directors, namely Mr. Leung Po Hon, Mr. Wong Wai Leung and Mr. Kwok Sze Chi. 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 six months ended 30 September 2022.

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

Hong Kong, 14 November 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.*