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MEDIANET GROUP TECHNOLOGIES INC

FORM 10-KT
(Annual Transition Report)

Filed 01/13/10 for the Period Ending 09/30/09

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CIK	0001097792
Symbol	MEDG
SIC Code	7389 - Business Services, Not Elsewhere Classified
Fiscal Year	09/30

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[ ] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal period ended: ___________________________

[X] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from January 1, 2009 to September 30, 2009

Commission File Number: 0-49801

MEDIANET GROUP TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

NEVADA	13-4067623
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
5100 WEST COPANS ROAD, SUITE 810, MARGATE, FLORIDA	33063
(Address of principal executive office)	(Zip Code)
Registrant's telephone number, including area code	(954) 974-5818

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act:

Common Stock, par value $0.001
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (ss.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss. 232.405 of this chapter)is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer [ ]                          Accelerated filer [ ]
Non-accelerated filer [ ]                            Smaller reporting company [X]
(Do not check if a smaller reporting company)
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Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

As of January 6, 2010, there were 27,303,552 shares of the Registrant's common stock outstanding and the aggregate market value of such shares held by non-affiliates of the Registrant's common stock (based upon the average bid and ask price of such shares as reported on the Over-the-Counter Bulletin Board) was approximately $9,000,000. Shares of the Registrant's common stock held by each executive officer and director at January 6, 2009 have been excluded in that such persons may be deemed to be affiliates of the Registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

On January 6, 2010, the registrant also had outstanding 5,000,000 shares of preferred stock, mandatorily convertible into common shares at a rate of 54.72 shares of common stock for each share of preferred stock. The registrant expects that such conversion will take place on or before March 31, 2010. Such preferred shares, while outstanding, vote together with the common stock on as-converted basis. As soon as an increase in common shares has been approved by the State of Nevada, USA and as soon as the common shares become available, such preferred shares will be converted.

DOCUMENTS INCORPORATED BY REFERENCE:

None.

MEDIANET GROUP TECHNOLOGIES, INC.

FORM 10-K

FOR THE TRANSITION PERIOD FROM JANUARY 1, 2009 TO SEPTEMBER 30, 2009

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USE OF TERM

Except as otherwise indicated by the context, references in this report to "Company," "MEDG," "we," "us" and "our" are references to the combined business of MediaNet Group Technologies, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-K which are not statements of historical fact, are what are known as "forward looking statements," which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as "plans," "intends," "hopes," "seeks," "anticipates," "expects, "and the like, often identify such forward looking statements, but are not the only indication that a statement is a forward-looking statement. Such forward looking statements include statements concerning our plans and objectives with respect to our present and future operations, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. In evaluating these forward-looking statements, you should consider various factors, including those described in this Form 10-K under the heading "Risk Factors". These and other factors may cause our actual results to differ materially from any forward-looking statement. We caution you not to place undue reliance on these forward-looking statements. Although we base these forward-looking statements on our expectations, assumptions and projections about future events, actual events and results may differ materially, and our expectations, assumptions and projections may prove to be inaccurate. The forward-looking statements speak only as of the date hereof, and we expressly disclaim any obligation to publicly release the results of any revisions to these forward-looking statements to reflect events or circumstances after the date of this filing.

Forward-looking statements are not guarantees of performance and by their nature are subject to inherent risks and uncertainties. We caution you therefore that you should not rely on these forward-looking statements. You should understand the risks and uncertainties discussed in "Item 1A--Risk Factors" and elsewhere in this report, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements.

Any forward-looking information contained in this report speaks only as of the date of the report. Factors or events may emerge from time to time and it is not possible for us to predict all of them. We undertake no obligation to update or revise any forward-looking statements to reflect new information, changed circumstances or unanticipated events.

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are therefore entitled to the protection of the safe harbor provisions of these laws. These forward-looking statements involve risks and uncertainties, and relate to future events or our future financial or operating performance. These statements include, but are not limited to, statements concerning:

o the anticipated benefits and risks of our business relationships;

o our ability to attract retail and business customers;

o the anticipated benefits and risks associated with our business strategy;

o our future operating results;

o the anticipated size or trends of the market segments in which we compete and the anticipated competition in those markets;

o potential government regulation;

o our future capital requirements and our ability to satisfy our capital needs;

o the potential for additional issuances of our securities;

o our plans to devote substantial resources to our sales and marketing teams;

o the possibility of future acquisitions of businesses, products or technologies;

o our belief that we can attract customers in a cost-efficient manner;

o the ability of our online marketing campaigns to be a cost-effective method of attracting customers;

o our belief that we can internally develop cost-effective branding campaigns;

o the results of upgrades to our infrastructure and the likelihood that additional future upgrades can be implemented without disruption of our business;

o our belief that we can maintain or improve upon customer service levels that we and our customers consider acceptable;

o our belief that our information technology infrastructure can and will support our operations and will not suffer significant downtime;

o our belief that we can maintain inventory levels at appropriate levels despite the seasonal nature of our business; and,

o our belief that we can successfully offer and sell a constantly changing mix of products and services.

PART I

ITEM 1. BUSINESS

BACKGROUND AND CORPORATE INFORMATION

MediaNet Group Technologies, Inc., ("we," "us," "our," the "Company"), was incorporated under the laws of the State of Nevada on June 4, 1999, under the name of Clamshell Enterprises, Inc. We were formed as a "blind pool" or "blank check" company whose business plan was to seek to acquire a business opportunity through a merger, exchange of stock, or other similar type of transaction. On March 31, 2003, we completed the business acquisition process by acquiring all of the issued and outstanding common stock of Brand-A-Port, Inc. in a share exchange transaction. We issued 5,926,662 shares in the share exchange transaction in which Brand-A-Port's shareholders received one of our shares for each share of common stock of Brand-A-Port which they owned. As a result of the share exchange, Brand-A-Port became our wholly owned and operating subsidiary.

The former shareholders of Brand-A-Port acquired a majority of our issued and outstanding common stock as a result of completion of the share exchange transaction. Therefore, although Brand-A-Port became our wholly owned subsidiary, the transaction was accounted for as a recapitalization of Brand-A-Port, whereby Brand-A-Port was deemed to be the accounting acquirer and is deemed to have adopted our capital structure.

We changed our name to MediaNet Group Technologies, Inc., in May, 2003.

In June, 2005, we changed the name of our subsidiary, Brand-A-Port, to BSP Rewards, Inc. to better reflect our focused business endeavors.

OVERVIEW

The operations of MediaNet Group Technologies, Inc. have been carried on through our wholly owned subsidiary, BSP Rewards, Inc. As used herein, the "Company" refers to MediaNet Group Technologies, Inc. and its wholly owned subsidiary. The Company's operations included the design, development and marketing of (1) branded loyalty programs, internet shopping malls and (2) branded websites. The Company has decided to concentrate its focused efforts in our main subsidiary, BSP Rewards, Inc.

In March, 2009, the Company sold its wholly owned subsidiary, Memory Lane Syndications, Inc. which was inactive and had limited revenue during 2009 and 2008 and has been classified for financial presentation as a discontinued operation.

BSP Rewards, Inc.

BSP Rewards, Inc, provides private branded loyalty and reward web malls and programs to both for-profit and not-for-profit companies and organizations and for online merchants. The program is designed as a shopping service through which members receive rebates (rewards) on purchases of products and services from participating merchants. These rewards earned may be accumulated by the member and may be used to purchase gift cards, donate to a charity, or loaded onto a debit MasterCard by which they can make additional purchases from any participating merchant in the program or anywhere in the world that debit MasterCard cards are accepted. The BSP program is proprietary to the Company.

BSP REWARDS INC (BSP Rewards or BSP)

BSP Rewards is a loyalty and rewards program designed as a shopping service through which members receive rebates (rewards points) on purchases of products and services from participating merchants in our internet mall platform.

These rewards act as a common currency that may be accumulated and used to make purchases of gift cards, donate to a charity, or loaded onto a debit MasterCard by which they can make additional purchases from any participating merchant in the program. Additionally, once the loyalty points are loaded on the MasterCard, the consumer can utilize this debit card at any merchant where the debit MasterCard is accepted.

The BSP Rewards program is a web based retail mall concept. Retail sellers of goods and services who join in the program as participating merchants agree to pay rebates to us for our members who purchase goods and services through the program at their individual web stores. We collect all rebates paid by participating merchants and retain a portion as our fee for operating the program. Another portion of the rebate (generally one-half), is designated as a "reward" earned by the member who made the purchase. A portion of the Company's rebate is paid to the organization or company which enrolled the member in the program.

At the present time, when a member elects to redeem all or any portion of the rewards which he or she has accumulated, the member must purchase gift cards online that are redeemable at participating merchants or load their reward points onto our stored value MasterCard or participating affiliated cards that can be utilized at online and in-store merchants for redemption. The BSP debit card allows the reward points to be loaded on the card and spent like cash at participating merchants and anywhere debit MasterCard is accepted.

Member Providers are companies, organizations and groups that enroll their employees or members in the BSP Rewards program. The program is sometimes offered free to member providers who auto-enroll their member base. Member provider agreements provide that the organization will normally enroll their members for free or nominal amount and BSP shall pay to the member providers a percentage of the rewards earned by the members that each member provider enrolls in the program. A member provider only earns a percentage if the members enrolled actually earn rewards through the program.

Presently, our marketing program is focusing on groups or organizations that have the potential of enrolling large numbers of members. Major membership clubs and organizations, credit and stored value card users. Having the capability of quickly expanding the BSP membership base to their large participating groups, would greatly enhance our potential membership and revenue streams. To extend our presence in these markets and others, we would require substantial working capital prior to enhancing marketing efforts directed at larger organizations as such efforts can be time consuming and costly.

OUR INDUSTRY

We classify our business operations as a member of the loyalty, online shopping mall, and rewards sector, and marketing services, each of which are fragmented and diverse industries. While the industry consists of many companies and organizations that provide loyalty and rewards in various means and fashions, few offer a complete package. There are many other similar businesses; however, most others do not include many of the features and benefits that we do including offering a stored value debit card and continuous email communications with members. It requires significant time and resources to develop a mature,

flexible, broad-based platform and to attract and market the program to a wide variety of business segments. We are of the opinion that 85% of our operating model is executed by other related businesses, however, not all 85% can be found in one program or platform and the other 15% is proprietary to BSP Rewards. The benefit of creating a viable and valuable rewards and shopping mall program in today's environment is due to an ongoing shift towards online shopping versus traditional brick and mortar shopping. Today's consumers are looking to save wherever and whenever possible, particularly on their everyday shopping needs, including gas, grocery, apparel and office supplies.

COMPETITION

We private brand our web mall program for companies, organizations and associations with features that include, but is not limited to, their logo and corporate image, cross links between the mall and their own corporate websites where the end user associates the mall with the host brand. Our competition includes other established loyalty/rewards companies, service provider that aggregate affiliate network merchants and existing web portals. While some competitors offer a private branded rewards program, most do not offer all of the features as BSP, including our redemption option through a stored value MasterCard, cross marketing applications and customer communications.

We intend to compete on the basis of pricing and speed to market, ease of use, our platform and the number of features available in our proprietary BSP Rewards application.

MARKETING AND STRATEGY

Our target markets for sales of our BSP Rewards program include small, medium and large sized companies, organizations and associations that will be able to utilize our rewards mall platform for a variety of uses including, but not limited to, loyalty, continuity, customer acquisition and retention and for fundraising applications.

This potential market includes membership clubs, non-profit organizations, alumni associations, retailers and corporations, marketing alliance partners, credit and debit card issuers and network marketing companies.

We market our products and services primarily through third party marketing partners who are paid on a commission basis. The marketing partners representing our services are companies that already have existing channel relationships. We have signed a number of marketing partner agreements which are non-exclusive and we anticipate that we will sign agreements with additional representatives in the future. The Agreements, which generally have a term of one year with automatic one-year renewals, provide for the payment by the Company of a commission based on BSP rewards earned by members that are signed into the program through the marketing partner.

The Company sometimes pays a commission for any products and internet portals sold on behalf of the Company and a commission for hosting fees paid to the Company by buyers of malls or websites as a result of the activities of the marketing partner. In some instances, we also allow clients for whom we have built mall portals to act as resellers. As of the date of this report, the marketing agreements have not resulted in any significant revenues.

We anticipate that the organizations that enroll members in their private branded rewards program will devote a portion of their advertising and marketing funds to the branded program. We, in turn, will help to develop customer awareness of our products and services as well as enhance usage of the program.

Part of the marketing strategy for the BSP Rewards mall program is to continue to maintain and operate various demonstration sites designed for specific industries. We do not typically earn revenue from the operation of these sites, but we use them to demonstrate to potential clients the types of features which are available through BSP.

Developing market acceptance for our existing and proposed projects will continue to require substantial marketing and sales efforts and the expenditure of a significant amount of funds to inform potential member providers and strategic marketing partners of the benefits and advantages of Company products and services and to achieve name recognition. There can be no assurance that we will be able to further penetrate existing markets on a wide scale basis.

Currently, the main marketing efforts of the Company are directed towards the BSP Rewards program. We look for clients who have the ability to quickly expand the BSP membership base to a much greater participating group, which would greatly enhance our potential revenue stream through the utilization of our internet mall.

OUR CHALLENGES

Our ability to successfully operate our business and achieve our goals and strategies is subject to numerous challenges and risks as discussed more fully in the section titled "Risk Factors," including for example:

o any failure to expand our operations and web presence to sufficiently meet our customers' demands and our ability to attract new clients;

o any inability to effectively manage rapid growth and accurately project market demand for our product offerings;

o risks associated with future investments or acquisitions;

o economic, political, regulatory, legal and foreign exchange risks associated with web-based enterprises;

o any loss of key members of our senior management; and,

o unexpected changes in economic situations or legal environment.

You should read and consider the information set forth in "Risk Factors" and all other information set forth in this filing.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth a summary of the financial data for MediaNet Group Technologies, Inc. and subsidiary for the nine (9) months ended September 30, 2009 and 2008 and balance sheet data as of September 30, 2009 and 2008. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this Report.

	Nine Months Ended September 30, 2009	2008 (1)(2)
Revenues	$ 1,721,623	$ 1,767,689
Operating expenses	1,444,259	850,922
Operating (loss)	(944,507)	(555,406)
Income taxes	0	0
Net (loss)	(950,799)	(555,046)
Loss per share - basic and diluted	(0.04)	(0.03)
Working capital (deficit)	(756,493)	(343,777)
Current assets	196,793	171,790
Total assets	204,419	181,790
Current liabilities	703,286	515,567
Total liabilities	953,287	515,567
TOTAL STOCKHOLDERS' (DEFICIT)	(748,867)	(333,777)

(1) 2008 classifications are changed to conform to 2009 classifications
(2) 2008 amounts are unaudited

OUR ADDRESSES

The address of the Company's principal executive office is 5100 West Copans Road, Suite 810, Margate, Florida 33063, and our telephone number is (954) 974-5818. We maintain a website at www.medianetgroup.com that contains information about us, but that information is not a part of this Annual Report.

ITEM 1A. RISK FACTORS

WE HAVE AN OPERATING HISTORY OF CONTINUOUS LOSSES. WE ARE SUBJECT TO ALL THE RISKS ASSOCIATED WITH THE FORMATION OF A NEW BUSINESS, INCLUDING POSSIBLE FAILURE TO ACHIEVE OR SUSTAIN PROFITABILITY, WHICH WOULD ADVERSELY AFFECT THE VALUE OF THE COMPANY AND THE MARKET VALUE OF OUR SHARES OF COMMON STOCK.

We are subject to all of the substantial risks inherent in the commencement of a new business enterprise. New enterprises in the early stage may encounter financial and operational difficulties and intense competition and failure to become profitable. There can be no assurance that we will achieve our business objectives, or that we will produce significant levels of revenues or achieve sustainable profitability. Our prospects must be considered in light of the risks, expenses, difficulties and delays frequently encountered in connection with a developing business, the development and commercialization of Internet websites based on innovative technology, and the high level of competition in the industry in which we operate. Additionally, we will be subject to all the risks incident to a rapidly developing business. Prospective investors should consider the frequency with which relatively newly developed and/or expanding businesses encounter unforeseen expenses, difficulties, complications and delays, as well as such other factors as competition with substantially larger companies.

THE PORTIONS OF OUR BUSINESS WHICH ARE RELATED TO REWARD PROGRAMS, ONLINE COMMERCE AND THE INTERNET ARE VERY COMPETITIVE. THERE IS NO ASSURANCE THAT WE WILL BE ABLE TO SUCCESSFULLY COMPETE IN THOSE MARKETS, WHICH WOULD ADVERSELY AFFECT OUR ABILITY TO ACHIEVE OR SUSTAIN PROFITABILITY.

The online commerce market is rapidly evolving and intensely competitive. We expect competition to intensify in the future because barriers to entry are minimal, and current and new competitors can launch new web sites at a relatively low cost. There are a multitude of "brand your own web site" companies and software products available and every site on the web will compete for attention with those which we create and maintain on behalf of our customers. In addition, all categories of the Internet and rewards industries are intensely competitive. There are many loyalty/reward programs covering virtually every industry and product. These programs range from individual retail establishments to major corporations, to branded reward programs. Although we believe we can establish a niche as a provider of high quality portals and rewards program, we will still be competing for funding and will face intense competition from many other entities with greater experience and financial resources than we have.

As a result, there can be no assurance that we will be able to compete successfully to the extent necessary to significantly expand our business and achieve profitability.

THE INTERNET AND ONLINE COMMERCE INDUSTRY ARE CHARACTERIZED BY RAPID TECHNOLOGICAL CHANGE. WE MAY BE UNABLE TO COMPETE SUCCESSFULLY OR TO REMAIN COMPETITIVE UNLESS WE ARE ABLE TO DEVELOP NEW PRODUCTS OR ADAPT EXISTING PRODUCTS TO NEW TECHNOLOGIES. IF WE ARE UNABLE TO DO SO, IT WOULD ADVERSELY AFFECT OUR ABILITY TO REACH OR MAINTAIN PROFITABILITY.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of the web malls and Internet portals we market and sell. The Internet and the online commerce industry are characterized by rapid technological change, changes in user and customer requirements and preferences and frequent product and service introductions.

If competitors introduce products and services embodying new technologies or if new industry standards and practices emerge, then our existing web sites, proprietary technology and systems may become obsolete. Our future success will depend on our ability to do the following:

o license and/or internally develop leading technologies useful in our business;

o enhance our existing services;

o develop new services and technology that address the increasingly sophisticated and varied needs of our prospective customers; and,

o respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

The development of our web sites and other proprietary technology entails significant technical and business risks. We may use new technologies ineffectively or we may fail to adapt our web sites, proprietary technology and transaction processing systems to customer requirements or emerging industry standards. If we do not continue to improve and update our services and continue to introduce new services, products and enhancements, we may lose customers or fail to attract new customers. Losing existing customers or failing to attract new customers would delay or adversely affect our ability to reach or maintain profitability.

OUR RAPID EXPANSION COULD SIGNIFICANTLY STRAIN OUR RESOURCES, MANAGEMENT AND OPERATIONAL INFRASTRUCTURE WHICH COULD IMPAIR OUR ABILITY TO MEET INCREASED DEMAND FOR OUR PRODUCTS AND HURT OUR BUSINESS RESULTS.

To accommodate our anticipated growth, we will need to expend capital resources and dedicate personnel to implement and upgrade our accounting, operational and internal management systems and enhance our record keeping and contract tracking system. Such measures will require us to dedicate additional financial resources and personnel to optimize our operational infrastructure and to recruit more personnel to train and manage our growing employee base.

If we cannot successfully implement these measures efficiently and cost-effectively, we will be unable to satisfy the demand for our products, which will impair our revenue growth and hurt our overall financial performance.

IF WE CANNOT KEEP PACE WITH MARKET CHANGES AND PRODUCE IMPROVED WEB SITES WITH NEW TECHNOLOGIES IN A TIMELY AND COST-EFFICIENT MANNER TO MEET OUR CUSTOMERS' REQUIREMENTS AND PREFERENCES, THE GROWTH AND SUCCESS OF OUR BUSINESS WILL BE HINDERED.

The Internet market is characterized by increasing demand for new and advanced technologies, evolving industry standards, intense competition and wide fluctuations in product supply and demand. If we cannot keep pace with market changes and produce web site products incorporating new technologies in a timely and cost-efficient manner to meet our customers' requirements and preferences, the growth and success of our business will suffer.

From time to time, new products, product enhancements or technologies may replace or shorten the life cycles of our products or cause our customers to defer purchases of our existing products.

WE MAY BE EXPOSED TO POTENTIAL RISKS RELATING TO OUR INTERNAL CONTROLS OVER FINANCIAL REPORTING AND OUR ABILITY TO HAVE THE OPERATING EFFECTIVENESS OF OUR INTERNAL CONTROLS ATTESTED TO BY OUR INDEPENDENT AUDITORS.

As directed by Section 404 of the Sarbanes-Oxley Act of 2002, or SOX 404, the SEC adopted rules requiring public companies to include a report of management on the Company's internal controls over financial reporting in their annual reports, including Form 10-K. We are subject to this requirement commencing with our fiscal year ended September 30, 2008 and a report of our management is included under Item 9A of this Annual Report on Form 10-K. In addition, SOX 404 requires the independent registered public accounting firm auditing a company's financial statements to also attest to and report on the operating effectiveness of such company's internal controls. However, this annual report does not include an attestation report because under the current law, we will not be subject to these requirements until our annual report for the fiscal year ending September 30, 2010. We can provide no assurance that we will comply with all of the requirements imposed thereby. There can be no assurance that we will receive a positive attestation from our independent auditors. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner or we are unable to receive a positive attestation from our independent auditors with respect to our internal controls, investors and others may lose confidence in the reliability of our financial statements.

RISK FACTORS THAT MAY AFFECT RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The risks and uncertainties described below are not the only ones facing us. Other events that we do not currently anticipate or that we currently deem immaterial also may affect our results of operations and financial condition.

OUR OPERATING RESULTS MAY FLUCTUATE.

Our operating results have varied on a quarterly basis during our operating history. Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside our control. Factors that may affect our operating results include the following:

o our ability to retain an active user base, attract new users, and;

o our ability to increase activity of the users of our web malls;

o the amount and timing of operating costs and capital expenditures relating to the maintenance and expansion of our businesses, operations, and infrastructure;

o general economic conditions, including higher inflation, the possibility of a recession in the U.S. and interest rate fluctuations, as well as those economic conditions specific to the Internet and ecommerce industries;

o regulatory and legal actions imposing obligations on our businesses or our users;

o the actions of our competitors, including the introduction of new sites, services, products and technologies;

o consumer confidence in the safety and security of transactions using our websites or technology;

o the cost and availability of online and traditional advertising, and the success of our brand building and marketing campaigns;

o our ability to develop product enhancements, programs, and features at a reasonable cost and in a timely manner;

o our ability to upgrade and develop our systems, infrastructure, and customer service capabilities;

o technical difficulties or service interruptions involving our websites or services provided to us or our users by third parties;

o our ability to comply with the requirements of entities whose services are required for our operations, such as credit card associations and banks;

o our ability to attract new personnel in a timely and effective manner and to retain key employees; and,

o continued consumer acceptance of the Internet as a medium for commerce and communication in the face of increasing publicity about fraud, spoofing, phishing, viruses, spyware, and other dangers of the Internet.

RISKS RELATED TO THE MARKET FOR OUR STOCK

THE MARKET PRICE OF OUR COMMON STOCK IS VOLATILE, LEADING TO THE POSSIBILITY OF ITS VALUE BEING DEPRESSED AT A TIME WHEN YOU WANT TO SELL YOUR HOLDINGS.

The market price of our common stock is volatile, and this volatility may continue. For instance, between January 1, 2008 and September 30, 2009, the closing bid price of our common stock, as reported on the markets on which our securities have traded, ranged between $0.03 and $0.28. Numerous factors, many of which are beyond our control, may cause the market price of our common stock to fluctuate significantly. These factors include:

o our earnings releases, actual or anticipated changes in our earnings, fluctuations in our operating results or our failure to meet the expectations of financial market analysts and investors;

o changes in financial estimates by us or by any securities analysts who might cover our stock;

o speculation about our business in the press or the investment community;

o significant developments relating to our relationships with our customers or suppliers;

o stock market price and volume fluctuations of other publicly traded companies and, in particular, those that are in the web-based industry;

o customer demand for our products;

o general economic conditions and trends;

o major catastrophic events;

o changes in accounting standards, policies, guidance, interpretation or principles;

o loss of external funding sources;

o sales of our common stock, including sales by our directors, officers or significant stockholders; and,

o additions or departures of key personnel.

Moreover, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our company at a time when you want to sell your interest in us.

IT MAY BE DIFFICULT FOR OUR SHAREHOLDERS TO SELL THEIR SHARES BECAUSE OF A LIMITED TRADING MARKET AND BECAUSE OF RESTRICTIONS IMPOSED BY THE PENNY STOCK RULES, WHICH MAY REDUCE OR ELIMINATE THE ABILITY TO REALIZE A PROFIT FROM THE SALE OF YOUR SHARES.

There is a limited trading market for the shares and there can be no assurance that an active trading market will develop, or, if such a market does develop, that it will be sustained. The trading market is subject to rules adopted by the Securities and Exchange Commission that regulate broker-dealer practices in connection with transactions in "penny stocks." Penny stocks are generally equity securities with a price of less than $5.00, except for securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, to make a special written determination that the penny stock is a suitable investment for the purchaser and to receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements will have the effect of making it more difficult for an active trading market in the Shares to be created or sustained. Since there is only a limited trading market in the Shares, holders of the Shares may have difficulty selling their shares which may reduce or eliminate their ability to realize a profit from the sale of their shares.

WE DO NOT INTEND TO PAY DIVIDENDS ON SHARES OF OUR COMMON STOCK FOR THE FORESEEABLE FUTURE.

We have never declared or paid any cash dividends on shares of our common stock. We intend to retain any future earnings to fund the operation and expansion of our business and, therefore, we do not anticipate paying cash dividends on shares of our common stock in the foreseeable future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

NONE

ITEM 2. PROPERTIES

As of September 30, 2009, the Company leased approximately 2,784 sq. ft. of office space from an unaffiliated third party.

The term of the lease, which has a two (2) year term starting in 2008 as follows:

$4,203 per month for the first twelve months, and $4,335 per month for the last twelve months expiring January 31, 2010.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceedings, and no such proceedings are known to be contemplated.

No known director, officer or affiliate of the Company and no owner of record or beneficial owner of more than 5.0% of the securities of the Company, or any associate of any such director, officer or security holder is a party adverse to the Company or has a material interest adverse to the Company in reference to pending litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of our security holders during quarter ended September 30, 2009.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

MARKET FOR OUR COMMON STOCK

Our shares of common stock are quoted on the Over-The-Counter Bulletin Board. The Over-The-Counter Bulletin Board is a quotation medium for subscribing members only. Only market makers can apply to quote securities on the Over-The-Counter Bulletin Board. We cannot guarantee that we will obtain a market maker or such a quotation. Although we will seek a market maker for our securities, our management has no agreements, understandings or other arrangements with market makers to begin making a market for our shares. There is no limited trading activity in our securities, and there can be no assurance that a regular trading market for our common stock will ever be developed, or if developed, will be sustained.

A shareholder in all likelihood, therefore, will not be able to resell their securities should he or she desire to do when eligible for public resale. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops. We have no plans, proposals, arrangements or understandings with any person with regard to the development of a trading market in any of our securities.

In general, under Rule 144 as currently in effect, any of our affiliates and any person or persons whose sales are aggregated who has beneficially owned his or her restricted shares for at least one year, may be entitled to sell in the open market within any three-month period a number of shares of common stock that does not exceed the greater of (i) 1% of the then outstanding shares of our common stock, or (ii) the average weekly trading volume in the common stock during the four calendar weeks preceding such sale. Sales under Rule 144 are also affected by limitations on manner of sale, notice requirements, and availability of current public information about us. Non-affiliates, who have held their restricted shares for one year, may be entitled to sell their shares under Rule 144 without regard to any of the above limitations, provided they have not been affiliates for the three months preceding such sale.

Further, Rule 144A as currently in effect, in general, permits unlimited resale of restricted securities of any issuer provided that the purchaser is an institution that owns and invests on a discretionary basis at least $100 million in securities or is a registered broker-dealer that owns and invests $10 million in securities. Rule 144A allows our existing stockholders to sell their shares of common stock to such institutions and registered broker-dealers without regard to any volume or other restrictions. Unlike under Rule 144, restricted securities sold under Rule 144A to non-affiliates do not lose their status as restricted securities.

The availability for sale of substantial amounts of common stock under Rule 144 could adversely affect prevailing market prices for our securities.

DIVIDEND POLICY

We have not declared any cash dividends on our common stock since our inception and do not anticipate paying such dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payment of dividends will depend on our earnings and financial position and such other factors, as the Board of Directors deems relevant.

All shares of common stock are entitled to participate proportionally in dividends if our Board of Directors declares dividends out of the funds legally available. Shares of preferred stock participate with common shares on the basis of 54.7229736 shares of common stock for each share of preferred stock. These dividends may be paid in cash, property or shares of common stock. We have not paid any dividends since our inception and presently anticipate that all earnings, if any, will be retained for development of our business. Any future dividends will be at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, operating and financial condition, capital requirements, and other factors.

Our shares are "penny stock" within the definition of that term as contained in the Securities Exchange Act of 1934. Penny Stock is generally an equity security with a price of less than $5.00. Our common shares will then be subject to rules that impose sales practice and disclosure requirements on broker-dealers who engage in transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling penny stock to anyone other than an established customer or "accredited investor" must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $200,000 individually or $300,000 together with his or her spouse is considered an accredited investor. In addition, unless the broker-dealer or the transaction is otherwise exempt, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock market. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the Registered Representative and current bid and offer quotations for the securities. In addition a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account, the account's value and information regarding the limited market in penny stocks. As a result of these regulations, the ability of broker-dealers to sell our stock may affect the ability of selling securityholders or other holders to sell their shares in the secondary market. In addition, the penny stock rules generally require that prior to a transaction in a penny stock, the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

CLOSING BID PRICES (1)

Quarter Ended	HIGH	LOW
December 31, 2007	$0.19	$0.09
March 31, 2008	0.06	0.04
June 30, 2008	0.18	0.03
September 30, 2008	0.28	0.09
December 31, 2008	0.16	0.05
March 31, 2009	0.27	0.13
June 30, 2009	0.22	0.15
September 30, 2009	0.24	0.13

(1) The above tables set forth the range of closing prices per share www.yahoo.com for the periods indicated.

REPORTS TO STOCKHOLDERS

Our shareholders, through our filings on the web, including http://www.sec.gov, can review all of our periodic reporting filed under the Exchange Act, including our annual reports for the years ended December 31, 2008 and 2007. Additionally, shareholders should review our Form 10-Q's for the periods ended June 30, 2009 and March 31, 2009, and all filings to current date.

APPROXIMATE NUMBER OF HOLDERS OF OUR COMMON STOCK

At September 30, 2009, there were approximately 300 stockholders of record of our common stock.

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated statement of income data for the nine (9) months ended September 30, 2009, and balance sheet data as of September 30, 2009, are derived from our audited consolidated financial statements included elsewhere in this Report. The September 30, 2008 statement of income data and balance sheet data as of September 30, 2008 was derived from our unaudited consolidated financial statements.

The following selected historical financial information should be read in conjunction with our consolidated financial statements and related notes and the information contained in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	NINE MONTHS ENDED SEPTEMBER 30,	
STATEMENT OF OPERATIONS DATA:	2009	2008 (1)
Sales revenue:	$ 1,721,623	$ 1,767,689
Cost of sales	1,221,871	1,472,173
Gross profit	499,752	295,516
Expenses:		
Selling and Administrative expenses	1,193,991	691,498
Consulting Fees (1)	250,268	159,424
Total expenses	1,444,259	850,922
Loss from Operations	(944,507)	(555,406)
Interest	(6,292)	360
Net Loss	$ (950,799)	$ (555,046)
Gain on Sale of Subsidiary...........	74,990	-
Loss per Share - basic and diluted ...	(.04)	(.03)
Weighted average number of shares outstanding - basic and diluted	23,688,236	19,205,527

(1) 2008 classifications are changed to conform to 2009 classifications

BALANCE SHEET DATA:	SEPTEMBER 30, 2009	2008 (1)
Cash and cash equivalents	$ 46,372	$ 45,390
Working capital (deficit)	(756,493)	(343,777)
Total assets	204,419	181,790
Total current liabilities	703,286	515,567
Long term liability	0	0
Total liabilities	953,287	515,567
Total stockholders'(deficit)	(748,867)	(333,777)

(1) 2008 classifications are changed to conform to 2009 classifications

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our audited historical consolidated financial statements, which are included elsewhere in this Form 10-K. Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on current expectations and assumptions, which are subject to risk, uncertainties and other factors, including, but not limited to, those described in the subsection titled "Risk Factors," located in Part I, Item 1A, of this Form 10-K.

CORPORATE OVERVIEW

The Company was organized under the name Clamshell Enterprises, Inc. in Nevada on June 4, 1999, as a "blind pool" or "blank check" company whose business plan was to seek to acquire a business opportunity through completion of a merger, exchange of stock, or similar type of transaction. On March 31, 2003, we completed the acquisition of all of the issued and outstanding shares of Brand-A-Port, Inc., in a share exchange transaction. The former shareholders of Brand-A-Port acquired a majority of our issued and outstanding common stock as a result of completion of the share exchange transaction. Although the result of the share exchange transaction was that Brand-A-Port became our wholly owned subsidiary, the transaction was accounted for as a recapitalization of Brand-A-Port, whereby Brand-A-Port was deemed to be the accounting acquirer and was deemed to have adopted our capital structure.

On May 22, 2003 we changed our name to MediaNet Group Technologies, Inc.

All of our operations at September 30, 2009, were carried on through BSP Rewards, Inc. our wholly owned subsidiary.

On October 22, 2009, the Company changed its fiscal year from December 31 to September 30. Accordingly, the following information relates to the operations of the Company for the period which began on January 1, 2009, and ended on September 30, 2009, and the comparable period which began on January 1, 2008, and ended September 30, 2008.

The Company evaluates performance based on several factors, of which the primary financial measure is business segment income before taxes. The accounting policies of the business segments are the same as those described in "Note 1:
Summary of Significant Accounting Policies." The following tables reflect the operations of the Company's reportable segments:

FOR THE NINE MONTHS ENDED
SEPTEMBER 30,

	2009	2008
Revenues		
Gift Cards	$ 1,258,759	$ 1,478,643
Loyalty Points-commissions	328,322	281,576
Web Design / Maintenance / hosting	134,542	7,470
Total Gross Revenues	1,721,623	1,767,689
Cost of Sales		
Gift Cards	1,138,716	1,399,493
Loyalty Points	50,715	71,544
Web Design / Maintenance / hosting	32,440	1,136
Total Cost of Sales	1,221,871	1,472,173

RESULTS OF OPERATIONS

COMPARISON OF 2009 AND 2008

Fiscal Nine Month period Ended September 30, 2009 as compared to Fiscal Nine (9) Month period ended September 30, 2008.

SALES REVENUES

STATEMENT OF OPERATION ITEMS

For the fiscal nine (9) month period ended September 30, 2009, we had revenues from operations of $1,721,623, and a loss from operations of $(944,507). For the nine (9) month period ended September 30, 2008, we had revenues from operations of $1,767,689, and a loss from operations of $(555,406).

o GIFT CARD sales decreased $219,884, or 15% to $1,258,759 in 2009 compared to $1,478,643 for the fiscal nine (9) month period ended 2008. The decrease is a result of the following:

On April 30, 2009, the Company announced a change to its business model so that it may focus on higher margin, and thus, more profitable areas as it relates to its gift card business. The Company has changed the gift card segment of its business as to how it will sell gift cards to consumers through its rewards mall programs.

o The Company reduced the number of merchant gift cards that it purchases for resale and is now offering gift cards through more merchants' websites and they will handle both the transaction and fulfillment. The Company will be expanding the number of gift cards members can purchase through the rewards mall portal directly from the merchants websites.

o The Company shall continue to sell higher margin gift cards as it has in the past. Certain low margin gift cards will no longer be offered for sale from the Company, but will be available as redemption items for points earned through their malls.

o LOYALTY POINT revenues increased $46,746 or 17%, to $328,322 in 2009 compared to $281,576 for the fiscal nine (9) month period ended 2008. The increase is primarily a direct result of increased merchant participation, an increase in members shopping at online merchants and increase in our membership base.

o WEB DESIGN / MAINTENANCE / HOSTING increased $127,072, or 1,701%, to $134,542 in 2009 compared to $7,470 for the fiscal nine (9) month period ended 2008. The increase is primarily attributable to building our base as we obtain new web mall clients.

COST OF SALES of gift cards and processing fees decreased in 2009 to $1,138,716 from $1,399,493 in 2008 as a direct result of our change of business model as of April 30, 2009.

COST OF SALES of loyalty points decreased in 2009 to $50,715 from $71,544 in 2008 as a direct result of the decrease of revenues of web mall and gift card revenues.

COST OF SALES of web design/maintenance increased in 2009 to $27,022 from $1,136 in 2008 as a direct result of the cost associated with increased revenues.

OPERATING EXPENSES for the fiscal nine (9) month period ended September 30, 2009, were $1,444,259 compared to $850,922 for the fiscal nine (9) month period ended September 30, 2008. The net increase $593,337 was a direct result of increased expenses from the pending merger at September 30, 2009 having closed on October 19, 2009. Additionally, the Company expended additional funds in utilizing the services of outside consultants.

Balance Sheet Items

LOYALTY POINTS PAYABLE at September 30, 2009, was $209,025, compared to $133,773 at September 30, 2008, a increase of $75,252. The increase was a direct result of consumer increasing the use of their purchasing products through the web mall.

ACCRUED LIABILITIES at September 30, 2009 were $310,044, compared to $153,936 at September 30, 2008, an increase of $156,108. The increase was a result of increased expenses during 2009 as a result of the merger related cost and the use of services of outside consultants.

ACCOUNTS PAYABLE AND NOTE PAYABLE to related party increased by $209,000 at September 30, 2009 as compared to September 30, 2008. The increase was the result of a working capital advancement from the merger participant of $250,000.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments. We believe that the determination of the carrying value of our long-lived assets, the valuation allowance of deferred tax assets and valuation of share-based payment compensation are the most critical areas where management's judgments and estimates most affect our reported results. While we believe our estimates are reasonable, misinterpretation of the conditions that affect the valuation of these assets could result in actual results varying from reported results, which are based on our estimates, assumptions and judgments as of the balance sheet date.

Revenue Recognition

The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, the fee is fixed or determinable, collectability is reasonably assured, and there are no substantive performance obligations remaining. The Company's revenue recognition policies are in conformity Accounting Standards Codification ("ASC") 985-605-25 "Software Revenue Recognition", which was previously formerly AICPA's Statement of Position No. 97-2, "Software Revenue Recognition", as amended ("SOP 97-2").The Company also considers EIFT-0021 and EIFT-99-19 in identifying and determining its different types of revenue and payment streams. Our comprehensive revenue recognition policy with reference to each revenue stream is to recognize income when the Company has completely performed its obligations to deliver goods or rendered services to customers. The Company has identified three revenue and payment streams: the sale of gift cards, the design and maintenance of web malls and an incentive or loyalty point program.

As to the sale of gift cards, since we have the inventory and credit risks, we recognized the gross sales upon receipt of payment and the shipping of the gift cards from our offices to the consumer. In the case where the Company builds web sites for clients, revenue is recognized when the web site is finished and operational and the client makes final payment. All clients, whereby the Company has built the web mall, usually contract with the Company for the maintenance of the web site. The Company charges, in certain cases, a per-client, per-month repetitive web-site maintenance service fee. Customer payments received in advance for providing maintenance or design services are recorded as revenue and are then recognized proportionately as the maintenance services are performed.

As to the incentive-loyalty points program, where we have no inventory or credit risks, we recognize revenue 45 days after the sale has been made in the client's web mall. The 45 day waiting period is a contractual or verbal arrangement with the web merchant and the Company's business practice to allow for returns and collections risks on the part of the merchant. After the 45 day period expires, the web merchant pays the Company the contracted for rebate/commission. Upon the receipt of payment from the merchant, the Company recognizes revenue as earned pursuant to the agreement with said client.

The Company's loyalty point program revenue recognition program can be illustrated as follows: If the agreed percentage to the consumer member from the merchant mall has been agreed to be 2% of the value of the items purchased, then this amount is tracked and accumulated by our in house developed programs. The consumer-member earns these two points as $2.00 (2% on $100 of purchases) and is allocated to its account after the before mentioned 45 day waiting period. The term or life of these loyalty points to the consumer is two years from the date of the consumers last transaction, before it is lost. Unclaimed or unused points are recognized as income after the two year period expires. This practice is known in the industry as "breakage." However, the two-year term is extended for another two years every time the consumer-member purchases or redeems through the web site. Loyalty points earned but unused by consumers are recorded on our books as a loyalty points payable and expense. They are credited to our liability account as long as the consumer/member does not use them to make further purchases within our merchants' member web malls. If a member uses them to make further purchases his account is debited. The consumer is also debited if he "loads" these points as cash on to our membership provided debit card. If he loads them onto a pre-paid debit card he may use it as any debit card and even make cash withdrawals at an ATM machine. In this case his account is debited reducing the loyalty point liability on our books. Through vendors that manage the debit card programs, the Company (pays-to fund) the points loaded by

the member. Any transaction fees paid to any such vendor is recognized by the Company as commission expense. The "breakage" is recognized by the Company by debiting the loyalty point payable and crediting the loyalty point commission expense, thus reflecting the income due to breakage. This income has been immaterial, since there is a strong incentive by the consumers to spend these points within our member mall due to their economic savvy and our marketing efforts.

Stock-Based Compensation Expense

Effective December 31, 2007, the Company adopted the provisions of ASC Topic 718, Compensation -- Stock Compensation," which requires the Company to recognize expense related to the fair value of stock-based compensation awards. The Company elected the modified prospective transition method as permitted by Topic 718, under which stock-based compensation is based on the grant date fair value estimated in accordance with the provisions of Topic 718. We estimate the fair values of share-based payments on the date of grant using a Black-Scholes option pricing model, which requires assumptions for the expected volatility of the share price of our common stock and a risk-free interest rate over the expected term of the stock-based award.

The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant date with a remaining term equal to the expected tem of the stock-based award. In December 2007, the SEC issued guidance allowing companies, under certain circumstances, to utilize a simplified method, based on the average of the vesting term and contractual term of the award, in determining the expected term of stock-based awards. Since we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term due to the limited period of time that our equity shares have been publicly traded, we utilize the simplified method to calculate the expected term of stock-based awards. The assumptions used in calculating the fair value of stock-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance on deferred tax assets is established when management considers it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company files consolidated federal and state income tax returns.

Effective January 1, 2007, the Company adopted Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes", ("FIN 48") and FSP FIN 48-1, which amended certain provisions of FIN 48. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with Accounting Standards Codification Topic 740

"Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 requires that the Company determine whether the benefits of the Company's tax positions are more likely than not of being sustained upon audit based on the technical merits of the tax position. The provisions of FIN 48 also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure. In connection with our adoption of FIN 48, we analyzed the filing positions in all of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. There was no impact on our consolidated financial statements upon the adoption of FIN 48 on January 1, 2007. The Company did not have any unrecognized tax benefits and there was no effect on the financial condition or results of operations as a result of implementing FIN 48 or FSP FIN 48-1. In accordance with FIN 48, the Company adopted the policy of recognizing penalties in selling, general, and administrative expenses and interest, if any, related to unrecognized tax positions as income tax expense.

Recent Authoritative Accounting Pronouncements

Recent Accounting Literature
FASB Accounting Standards Codification (Accounting Standards Update ("ASU") 2009-01)

In June 2009, FASB approved the FASB Accounting Standards Codification ("the Codification") as the single source of authoritative nongovernmental GAAP. All existing accounting standard documents, such as FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other related literature, excluding guidance from the Securities and Exchange Commission ("SEC"), have been superseded by the Codification. All other non-grandfathered, non-SEC accounting literature not included in the Codification has become nonauthoritative. The Codification did not change GAAP, but instead introduced a new structure that combines all authoritative standards into a comprehensive, topically organized online database. The Codification is effective for interim or annual periods ending after September 15, 2009, and impacts the Company's financial statements as all future references to authoritative accounting literature will be referenced in accordance with the Codification. There have been no changes to the content of the Company's financial statements or disclosures as a result of implementing the Codification during the nine months ended September 30, 2009.

As a result of the Company's implementation of the Codification during the nine months ended September 30, 2009, previous references to new accounting standards and literature are no longer applicable. In the current quarter financial statements, the Company will provide reference to both new and old guidance to assist in understanding the impacts of recently adopted accounting literature, particularly for guidance adopted since the beginning of the current fiscal year but prior to the Codification.

Subsequent Events
(Included in Accounting Standards Codification ("ASC") 855 "Subsequent Events", previously SFAS No. 165 "Subsequent Events")

SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued ("subsequent events"). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued.

SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company's financial statements. The Company evaluated for subsequent events through the issuance date of the Company's financial statements. No recognized or non-recognized subsequent events were noted.

Determination of the Useful Life of Intangible Assets (Included in ASC 350 "Intangibles -- Goodwill and Other", previously FSP SFAS No. 142-3 "Determination of the Useful Lives of Intangible Assets")

FSP SFAS No. 142-3 amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under previously issued goodwill and intangible assets topics. This change was intended to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset under topics related to business combinations and other GAAP. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS No. 142-3 became effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP SFAS No. 142-3 did not impact the Company's financial statements.

Noncontrolling Interests
(Included in ASC 810 "Consolidation", previously SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51")

SFAS No. 160 changed the accounting and reporting for minority interests such that they will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS No. 160 became effective for fiscal years beginning after December 15, 2008 with early application prohibited. The adoption of SFAS No. 160 did not have any other material impact on the Company's financial statements.

Consolidation of Variable Interest Entities -- Amended (To be included in ASC 810 "Consolidation", SFAS No. 167 "Amendments to FASB Interpretation No. 46(R)")

SFAS No. 167 amends FASB Interpretation No. 46(R) "Consolidation of Variable Interest Entities regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity. The amendments include:
(1) the elimination of the exemption for qualifying special purpose entities,
(2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. SFAS No. 167 is effective for the first annual reporting period beginning after November 15, 2009, with earlier adoption prohibited. The Company will adopt SFAS No. 167 in fiscal 2010 and does not anticipate any material impact on the Company's financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2009, we had cash and cash equivalent of $46,372. The following table provides detailed information about our net cash flow for the nine months ended September 30, 2009 and 2008.

STATEMENT OF CASH FLOW

	Nine Months ended September 30,	
	2009	2008
Net cash (required) in operating activities	$ 334,975	$ 525,582
Net cash provided by financing activities	339,000	375,000
Net cash flow (deficit)	4,025	(150,582)

To date, we have funded our cash shortage and obtained the cash necessary to continue operations primarily through debt and equity transactions with related parties and through equity private placements. However, until operating revenues increase significantly, we will continue to seek outside funding for the purpose of accelerating the expansion of our operations. Without receiving any additional capital investment management believes we will be unable to continue current business operations, and continue the current gradual expansion of our operations.

PLAN OF OPERATIONS

Our primary focus is to develop our BSP Rewards business. It has taken us longer than anticipated to implement our expansion plan because of several factors including the delay of launching several major programs for which we have signed contracts. The delays are outside of our control and the timing for which our clients are responsible. The expansion of our operations is dependent on obtaining outside financing and working capital. During 2009, we experienced a difficult market based on economic conditions as compared to 2008 in obtaining financings and equity for expansion of our operations. Additionally, the clients that we have and are trying to attract (corporations, affinity groups and non-profits) were also feeling the effects of the economic environment in 2008 and continuing in 2009 which affected the timing of executing and fulfilling contracts.

The primary operations of the Company are focused on the Branded Loyalty Rewards segment of the business. The efforts are concentrated on (1) Building the Online merchant network, (2) The participating Gift Card merchants, (3) Layering the BSP platform onto credit, debit and prepaid cards, (4) Increasing the member base, (5) Increasing transactions and fees, (6) Signing additional private branded mall clients.

We are aware that the economic condition has slowed operations substantially in 2009 and 2008 and we anticipate this continuing through 2009 and 2010 as the U.S. economy is currently in a state of uncertainty. In addition, we are aware that business trends relative to the Internet are constantly changing. The combination of changing trends relative to the Internet and uncertainty regarding economic growth could have a material impact on our short-term or long-term liquidity or revenues or income from operations.

OUR BUSINESS

The following description of our business contains forward-looking statements relating to future events or our future financial or operating performance that involves risks and uncertainties, as set forth above under "Special Note Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in Section 1A under the heading "Risk Factors" and elsewhere in this Form 10-K.

OUR MARKET PRESENCE

We engage in the design, development and sale of Private Brand Internet malls. Our clients promote our Internet malls and offer the program to their own customer base, whereby we share, in the commissions earned through purchases made at the over 1,000 participating web and gift card merchants. Additionally, we host, maintain and provide full administration for our client's private branded malls.

o WEB MALLS. We have established relationships with merchants, distributors and reps for over 1,000 merchants including over 50 gift card providers. In essence, this aggregation of merchants has been progressing over years whereby we have one of the largest merchant malls on the Internet. The participating merchants pay a commission on the customer's sales we send that are consummated. We share in those rebates with our customers, and sometimes with our clients. The merchants in the mall include many of the best known and biggest retailers in the country and change from time to time as we increase or decrease our relationships.

o MAINTENANCE AND HOSTING. We host and maintain private branded web malls for which we normally receive an upfront fee for the building and/or creation of web malls and a monthly maintenance fee to host and maintain. Additional fees may occur if our clients request customization.

OUR EMPLOYEES

As of September 30, 2009 we had 10 full time employees plus outside independent representatives, and consultants. The Company has an employment agreement with Martin A. Berns, Chief Executive Officer and Director. From time to time, the Company also has consulting arrangements with a Director who performs marketing services for the Company.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not use derivative financial instruments and have no foreign exchange contracts. Our financial instruments consist of cash and cash equivalents, trade accounts and contracts receivable, accounts payable and long-term obligations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL DATA

The full text of our audited consolidated financial statements as of September 30, 2009, December 31, 2008, and the unaudited September 30, 2008, begins on page F-1 of this Annual Report on Form 10-K.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

The Securities and Exchange Commission defines the term "disclosure controls and procedures" to mean a company's controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are designed to provide reasonable assurance of achieving the objectives of timely alerting them to material information required to be included in our periodic SEC reports and of ensuring that such information is recorded, processed, summarized and reported with the time periods specified. Our chief executive officer and chief financial officer also concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance of the achievement of these objectives.

Internal Control Over Financial Reporting

The management of the Company is responsible for the preparation of the financial statements and related financial information appearing in this Transition Report on Form 10-K. The financial statements and notes have been prepared in conformity with accounting principles generally accepted in the United States of America. The management of the Company also is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. A company's internal control over financial reporting is defined as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the Chief Executive Officer and Chief Financial Officer, does not expect that the Company's disclosure controls and internal controls will prevent all error and all fraud. Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable, not absolute, assurance that the objectives of the control system are met and may not prevent or detect misstatements. Further, over time control may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate.

With the participation of the Chief Executive Officer and Chief Financial Officer, our management evaluated the effectiveness of the Company's internal control over financial reporting as of September 30, 2009, based upon the framework in Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our management has concluded that, as of September 30, 2009, the Company's internal control over financial reporting was effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this Annual Report on Form 10-K.

There was no significant change in the Company's internal control over financial reporting during the last fiscal quarter, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

CHANGES IN CONTROL OF REGISTRANT; MERGER AGREEMENT

On October 19, 2009, there was a change in the effective control of our Company. On that date pursuant to the Company's Merger Agreement dated as of August 10, 2009, and subsequently amended on September 25, 2009, among the Company, the Company's then subsidiary, MediaNet Merger Sub, Inc., a Nevada corporation, and CG Holdings Limited, a Cyprus limited company "CG," the Company acquired all of the issued and outstanding shares of CG for 5,000,000 shares of the Company's Series A Preferred Stock. The Series A Preferred Stock has a voting power, as to each share, of 54.72 common share votes, and is mandatorily convertible into common shares on the same basis upon the Company's increasing its authorized common shares to no less than five hundred million (500,000,000) shares, which it intends to do as soon as practicable. Accordingly, the shareholders of CG control 90% of the voting power of the Company. Further as a condition of the

acquisition of CG by the Company, we agreed to appoint Michael Hansen as a director, the President and Chief Executive Officer of our Company; Kent Holmstoel as a director, Chairman and Chief Operating Officer of our Company; and Andreas Kusche as a Director and the General Counsel of the Company. Also in connection with the Merger, all of the directors of the Company other than Mr. Berns have resigned. The appointment of Messrs. Hansen, Holmstoel, and Kusche will be effective upon our compliance with Securities and Exchange Commission Rule 14f-1.

AMENDMENT TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR

On September 18, 2009, the Company amended its bylaws. The changes to the bylaws consisted substantially of the correction of the Company's name to its current name, MediaNet Group Technologies, Inc.; the enlargement of the description of the various officers that can be appointed by the Company's Board of Directors, together with a fuller description of their various responsibilities; a provision that the Company shall have not less than one (1) or more than 15 directors; and that Nevada Revised Statutes Sections 78.378 and 78.3793, which deal with the acquisition of an interest in Nevada corporations, do not apply to the Company.

On October 22, 2009, the Company's Board of Directors determined to change its fiscal year end from December 31 to September 30 to conform to CG's fiscal year end

DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS

On October 29, 2009, the Company appointed Michael Hansen as its President and Chief Executive Officer and Kent Holmstoel as its Chairman of the Board of Directors and Chief Operating Officer. In connection with their appointment as officers of the Company, the Company assumed the employment agreements of Messrs. Hansen and Holmstoel with CG Holdings Limited. Pursuant to those Agreements Mr. Hansen is to receive monthly compensation of EUR $15,000 and Mr. Holmstoel is to receive monthly compensation of EUR $15,000. Mr. Hansen is a fifty percent (50%) beneficial owner of CG Holdings Limited, which owns ninety percent (90%) of the Company's Series A Convertible Preferred Stock. The Series A Convertible Preferred Stock is to be converted into 273,614,868 shares of the Company's common stock, or 90% of the shares of the Company's common stock, determined on a fully-diluted basis, then to be outstanding, upon the Company's increase in its authorized common shares to no less than five hundred million (500,000,000) shares.

Also on October 29, 2009, Messrs. Hansen and Holmstoel, Andreas Kusche, the Company's General Counsel, and Steven Adelstein were elected directors of the Company effective as to Messrs. Hansen, Holmstoel and Kusche ten (10) days after the filing of Schedule 14F-1 with the Securities and Exchange Commission.

On October 23, 2009, Martin Berns stepped down as the Company's Chief Executive Officer but remains on the Board of Directors and continues as Chief Executive Officer of the Company's BSP Rewards operating company.

In connection with the completion of the Company's merger with CG, the Company's directors, who had agreed to resign in connection with that merger, resigned on October 19, 2009.

ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On October 29, 2009, Lenox Resources, LLC, a Delaware limited liability company ("Lenox") which is an indirect subsidiary of MediaNet Group Technologies, Inc., a Nevada corporation (the "Company"), executed and closed on a Software Purchase Agreement with MSC, Inc., d/b/a Lariat (the "Agreement") for the purchase and assignment of database tracking, monitoring, statistic tools and widget software known as "Cinch" and "Connect" (the "Software") and associated copyrights. The purchase price of the Software was $400,000 paid in cash at closing, together with two percent (2%) of the common stock of the Company. The common stock payable to MSC, Inc., will not be dilutive to the Company's existing common shareholders because the two percent (2%) will be paid by CG Holdings Limited. Pursuant to the Agreement, Lenox will hire certain staff of MSC, Inc., who are dedicated to the development of the Software. The Agreement also provides that MSC, Inc., will have a right to market the Software to its own clients as a distributor, with the exclusion of any sale that would compete with the Company.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF AND CORPORATE GOVERNANCE

Set forth below are the names of our directors, officers and significant employees, their ages, all positions and offices that they hold with us, the period during which they have served as such, and their business experience during at least the last five years. The Directors will serve until the next annual meeting of the stockholders or until their successors are elected or appointed and qualified. Executive officers will serve at the Board's discretion.

The names, ages and titles of our Executive Officers and Directors as of January 6, 2010, and September 30, 2009 are as follows:

At January 6, 2010

NAME	AGE	POSITION	COMMITTEE
Kent Holmstoel	49	Chairman of the Board of Directors and Chief Operating Officer	(1)(3)
Michael Hansen	39	Director and Chief Executive Officer	(3)
Andreas Kusche	39	Director and Corporate Council	(1)(3)
Martin Berns	73	Director and Chief Executive Officer of BSP Rewards, Inc. (2)	
Steven Adelstein	62	Director	(1)(**)
Alfred Fernandez	46	Chief Financial Officer and Secretary	

(1) Audit Committee
(2) BSP Rewards Inc. is a wholly owned subsidiary of the Company
(3) Subject to the filing of Schedule 14F-1 (**) Indicates Chairman of the Committee

BIOGRAPHICAL INFORMATION

Martin A. Berns was Chairman and Chief Executive Officer of the Company, which he co-founded, from January 2003 until his resignation in October 2009, at which time he became President of the Company's BSP Rewards, Inc., subsidiary. He has been a Director of the Company since January 2003, and continues in that position. Mr. Berns has been the chief architect of the Company's business plan, business model and BSP Rewards program. Mr. Berns has forty years of experience as a marketing consultant, including advertising, TV commercials and show

production. Mr. Berns' background includes developing marketing plans and the subsequent establishment, training and administration of sales organizations for national companies. Mr. Berns was the founder of Solid Gold Savings Stamps in the 1960's, a loyalty rewards program whose clients included Sinclair Oil Company.

Michael Hansen has gained extensive experience from his work in internationally recognized creative environments. In 2003 he visualized the idea of DubLi as a powerful market player in the rapidly growing eCommerce market. Michael Hansen holds a degree as a mechanical engineer and worked in the late eighties and early nineties as a developer in the Danfoss Group. Later, he was recruited by LEGO and was responsible for theme world development and designs. In 1996 Michael Hansen became self-employed and was the owner of a successful chain of franchise restaurants which he sold in 1999 to pursue a career in the network marketing industry. Mr. Hansen, a founder of DubLi, oversees the direction of DubLi and acts as a motivator for DubLi's business associates. He became President and Chief Executive Officer of the Company on October 29, 2009.

Kent Holmstoel. Mr. Holmstoel has a MA in finance and 25 years of top level management experience. He has for more than a decade worked as a strategic advisor and board member in fast-growing international companies. He has prior experience as managing director in an IT company and was recently a director of OIB International. He is also a recognized author on financial subjects. Mr. Holmstoel joined DubLi as a freelance consultant. Since then he has assisted with strategy, planning and negotiations on a regular basis, and started working permanently for DubLi in May 2009. He became Chief Operating Officer and Secretary of the Company on October 29, 2009.

Andreas Kusche studied at Humboldt University in Berlin, as well as at the University of Alicante in Spain. He launched the German film production service company "screenart" in 2000 and was a consultant to an international film fund. After completing his law studies with the federal state examination of Germany in 2004, he applied for admission as an attorney and joined the Harting law firm, specialists for media law in Berlin from 2004 to 2007. There he worked, among other things, in the fields of national and international tax law, and completed the tax law examination successfully. He has over eight years experience in advising media production companies, and was especially active in the fields of media finance and media funds.

Steven Adelstein is a private equity investor. He currently serves as Officer and Director of TheWebDigest Corp. and AUW Inc., a private entity involved in real estate, venture capital and consulting. Mr. Adelstein served as a Director of National Health Partners Inc. from December 2004 to February 2005 and Officer and Director of Information Architects Corporation from September 2008 to April 2009. Mr. Adelstein served as Interim Chief Financial Officer of MediaNet Group Technologies, Inc. (the "Company") from July 2, 2007, until August 31, 2007. Mr. Adelstein received a BS in Business Administration from the University of South Florida and is currently an inactive Certified Public Accountant. On October 29, 2009, Mr. Adelstein was elected a member of the Board of Directors of the Company.

Alfred Fernandez has been Chief Financial Officer of the Company since July 2, 2007. From 2004 to May 2007, Mr. Fernandez served as Chief Financial Officer of Money Express Financial Corp., an international money service company. From 2002 to 2004 he served as a Divisional Controller at Ivax Corporation. Prior to 2002, Mr. Fernandez held the position of Chief Financial Officer at Girosol Corp. He has served in the position of Controller and Chief Financial Officer for over 15 years. Mr. Fernandez is an active CPA and has a J.D. from Seton Hall University.

At September 30, 2009

NAME	AGE	POSITION	CURRENT STATUS
Martin A. Berns	73	Chairman of the Board of Directors and Chief Executive Officer	Remains a member of the Board of Directors
Eugene H. Berns (1)	73	Director	Resigned (2)
Thomas C. Hill (1)	50	Director, Director of Operations	Resigned (2)
Robert Hussey (1)(**)	59	Director	Resigned (2)
Bruce Hollander	70	Director	Resigned (2)
Brent Gephart	37	Director	Resigned (2)
Alfred Fernandez	46	Chief Financial Officer	Remains an Officer

(1) Audit Committee
(2) Resigned effective October 19, 2009 (**) Indicates Chairman of the Committee

Officers generally hold their positions at the pleasure of the Board of Directors, absent any employment agreement.

BIOGRAPHICAL INFORMATION - OF DIRECTORS THAT RESIGNED OCTOBER 19, 2009

EUGENE H. BERNS has served as a Director of the Company since January 2003. Mr. Berns serves as President of Housing Marketing Team, a marketing consultation company whose services include local and national housing industry trend analysis, individual and multiple community marketing programs. He served twenty-three (23) years as Vice President of Sales and Marketing and as a member of the Board of Directors for one of South Florida's largest American Stock Exchange community builders. Additionally, he held many leadership positions in the housing industry, including past President of the Gold Coast Builders Association, and currently serves on many state and national committees. He is the recipient of numerous industry awards.

THOMAS C. HILL was elected a Director of the Company on January 31, 2005. Mr. Hill has been the President of Xcel Marketing Group since January 2003. From February 1999 to December 2002, Mr. Hill was the Executive Vice President of Xcel Marketing Group which develops loyalty marketing solutions for the hospitality, media and financial industries. Previously, as a co-founder of Gusto Marketing, he was responsible for all aspects of marketing and business development for this newspaper media industry rewards/loyalty program. Earlier in his career, Mr. Hill served as the Marketing Director for The Miami Herald, one of Knight-Ridder's leading newspapers.

ROBERT F. HUSSEY was elected a Director of the Company effective January 23, 2007. Mr. Hussey is a private equity investor. Mr. Hussey currently serves as a Director of Axcess International, Inc. and Digital Lightwave, Inc. Mr. Hussey also serves on the Board of HC Wainright & Co., World Racing Group Inc. and on the Board of Advisors for Argentum Capital Partners. From 1991 through 1996, Mr. Hussey served as President, CEO and Director of Metro Vision of North America. From 1984 through 1991, Mr. Hussey was Founder, President, CEO and Director of POP Radio Corp. Prior to POP Radio, Mr. Hussey worked at Grey Advertising, Inc., E.F. Hutton and American Home Products, Inc. Mr. Hussey received a B.S. in Business Administration from Georgetown University and an MBA in International Business from George Washington University.

BRUCE L HOLLANDER was elected a Director of the Company effective November 15, 2007. He is a retired Chairman of the Board, Chief Executive Officer and President of BioLok International Mr. Hollander was President and Chief Executive Officer of BioLok since 1996, and Chairman of the Board of Directors since 1998. Mr. Hollander was sole owner of Lion Wines and Spirits, a Florida beverage distributor from 1991 to 1995; and President of B.L. Hollander & Associates, a business consultant to a number of companies, including Kohlberg, Kravis, Roberts & Co., from 1982 to 1984. Prior to 1982 he was an executive with Incom\ International, Rockwell International and General Electric. Mr. Hollander received a BSIE from the Pratt Institute, a MSEM from Union College (GE - Co-op.) and is an APICS certified fellow.

BRENT GEPHART was elected a Director of the Company effective November 15, 2007. He is presently CEO and President of Card Processing Consultants, Inc., which act as consultants for Fortune 100 banks including Fiserv, merchant processing companies and Fortune 500 companies. His company is a Registered MSR/ISO for Royal Bank of Scotland. Prior to that, he served as COO and Executive Vice President Sales and Marketing for Financial Services for Innuity, Inc. where he developed strategic partnerships with stored value debit card issuers and developed the companies own private label stored value issuing program. He developed offshore banking and acquiring relationships for U.S. merchants pursuing offshore incorporations (IBC's) in the E.U. and L.A.C.R. Mr. Gephart also served as Executive Vice President U.S. Corporate Strategy and Alternative Distribution for Moneris Solutions, Inc and was previously Director of Marketing and Director of Corporate Strategy for Chase Merchant Services, the acquiring division of J.P. Morgan Chase. Additionally, Mr. Gephart attended Visa Bankcard Management School at Harvard University.

There are no agreements or understandings for any of our Executive Officers or Directors to resign at the request of another person, and no Officer or Director is acting on behalf of nor will any of them act at the direction of any other person.

BOARD COMPOSITION AND MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors is currently composed of five (5) members: Kent Holmstoel, Michael Hansen, Andreas Kusche, Martin Bern and Steven Adelstein. All actions of the Board of Directors require the approval of a majority of the Directors in attendance at a meeting at which a quorum is present.

COMMITTEES

Our Board of Directors currently has one committee standing. The Audit Committee is comprised of one independent director as Chairman of the Audit Committee and two (2) other directors (Kent Holmstoel and Andreas Kusche). From time to time, the Board of Directors may establish other committees.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee consists of three members, of which one (1) is "independent" as that term is defined under the SEC Rules. Our audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. Mr. Adelstein serves as our audit committee financial expert as that term is defined by the applicable SEC rules.

INDEPENDENT DIRECTOR

Steven Adelstein is our only "independent" director.

POLICY REGARDING BOARD ATTENDANCE

Our Directors are expected to attend Board meetings as frequently as necessary to properly discharge their responsibilities and to spend the time needed to prepare for each such meeting. Our Directors are expected to attend annual meetings of stockholders, but we do not have a formal policy requiring them to do so.

DIRECTOR COMPENSATION

For the nine (9) month period ended September 30, 2009, we issued 200,000 common shares to each of our directors including Martin A. Berns, a non-independent director. For the nine (9) months ended September 30, 2008, we issued 50,000 common shares to each of our independent directors.

Under the terms of the Indemnification Agreements, we agreed to indemnify the independent directors against expenses, judgments, fines, penalties or other amounts actually and reasonably incurred by the independent directors in connection with any proceeding if the independent director acted in good faith and in our best interests. It is our practice to reimburse our directors for reasonable travel expenses related to attendance at board of directors and committee meetings.

FAMILY RELATIONSHIPS

The only family relationships at September 30, 2009 and 2008, among our Directors or Officers is that of Eugene H. Berns and Martin A. Berns, who are brothers. On October 19, 2009, Eugene H. Berns resigned as a member of the Board of Directors and at December 1, 2009 there are no family relationships among our Directors and officers.

COMPLIANCE WITH SECTION 16(A) OF EXCHANGE ACT

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to us under Rule 16a-3(d) of the Security Exchange Act during the fiscal nine (9) month period ended September 30, 2009. Thomas C Hill, who was then a director of the Company, failed to file a report with respect to 400,000 common shares. Bruce Hollander, who was then a director of the Company, failed to file a report with respect to 200,000 common shares.

CODE OF ETHICS

In March 2004, we amended our code of business conduct and ethics and expanded the scope of the code of business conduct and ethics to cover the conduct of our business by all employees, officers and directors. We intend to maintain the highest standards of ethical business practices and compliance with all laws and regulations applicable to our business, including those relating to doing business outside the United States.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to our Chief Executive Officer and Chief Financial Officer, for services during the last two fiscal periods of nine
(9) months ended September 30, 2009 and 2008 in all capacities to us, our subsidiaries and predecessors. No executive officer received compensation of $100,000 or more in any of the last two fiscal periods of nine (9) months ended September 30, 2009 and 2008 or twelve (12) months ended September 30, 2009 and 2008.

SUMMARY COMPENSATION TABLE
ANNUAL COMPENSATION

NAME AND PRINCIPAL POSITION	NINE MONTH ENDED SEPTEMBER 30,	SALARY ($)	OTHER FRINGE BENEFITS	RESTRICTED STOCK AWARDS	TOTAL
Martin Berns	2009	$39,000	12,370	18,750	70,120
Chief Executive					
Officer	2008	$39,000	10,043	22,500	71,543
Alfred Fernandez	2009	$56,250	2,888	7,750	66,888
Chief Financial					
Officer	2008	$56,250	-0-	6,000	62,250

(1) Mr. Berns has an employment contract with the Company, commencing January 1, 2005 which was extended through December 31, 2009 at an annual salary of $52,000 per year, plus normal fringe benefits including, but not limited to, a car allowance and health benefits. During 2008, Mr. Berns received 150,000 restrictive common shares, 100,000 for being a member of the Board and 50,000 as additional compensation and 0 shares for the year ending December 31, 2009.

(2) Mr. Fernandez received 75,000 restricted shares for year ending December 31, 2008. Mr. Fernandez annual salary is $75,000 plus normal benefits including, but not limited to issuance of restricted common shares from time to time. Accordingly, for the nine (9) month period September 30, 2009, Mr. Fernandez received 260,000 restricted common shares valued at fair market value of $0.06 per share.

BONUSES AND DEFERRED COMPENSATION

We do not have any agreements to issue bonuses, deferred compensation or retirement plans. From time to time, the Board of Directors grants bonuses, stock issuances and other benefits.

CONSULTING ARRANGEMENTS

Mr. Hill, a Director at September 30, 2009 and 2008, had a consulting arrangement with the Company pursuant to which he provided professional services on a month-to-month basis. For the fiscal nine (9) month period ended September 30, 2009 and 2008, Mr. Hill's consulting company was paid $ 46,500 and $37,500 for respectively. Additionally, as a Director, Mr. Hill received 100,000 restrictive common shares for nine (9) month period ended September 30, 2009 and 2008. Additionally, Mr. Hill's consulting company has signed a member provider with a web site agreement for the nine (9) month period ended September 30, 2009 and 2008. As of September 30, 2009 and 2008, no material revenues have resulted from this agreement.

Mr. Adelstein, a member of the Board of Directors, for the nine (9) months ended September 30, 2009, Mr. Adelstein received 500,000 restricted common shares valued at fair market value of $.06 per share. Effective October 29, 2009, from time to time, performed consulting services and received restricted common shares of the Company as compensation.

STOCK OPTIONS

The Company has a stock option plan for key personnel covering 350,000 shares of common stock. At September 30, 2009, there were no shares issued under this plan.

EMPLOYMENT CONTRACTS

Mr. Berns, the former Chairman and Chief Executive Officer of the Company, had an employment contract with the Company, commencing January 1, 2005 through December 31, 2009 at an annual salary of $52,000 per year, plus normal fringe benefits. This employment contract has been assigned to BSP Rewards, Inc., wholly owned subsidiary of the Company which is President of. Mr. Berns received for the nine (9) month period ended September 30, 2009, an additional 500,000 restrictive common shares as additional compensation, 200,000 as a Director and 300,000 as other compensation. For the nine (9) months ending September 20, 2008, Mr. Berns received an additional 150,000 restrictive common shares as additional compensation, 100,000 as a Director and 50,000 as other compensation. From time to time, the Board of Directors is authorized to issue bonuses, stock awards and other fringe benefits.

From time to time, we have granted equity-based awards to our named executive officers and directors, and we do not provide any retirement benefits or severance or change of control benefits to our named executive officers.

PAYMENT OF POST-TERMINATION COMPENSATION

The Company does not have change-in-control agreements with any of its executive officers, and the Company is not obligated to pay severance or other enhanced benefits to executive officers upon termination of their employment.

LIMITATION OF LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Our bylaws provide for the indemnification of our present and prior directors and officers or any person who may have served at our request as a director or officer of another corporation in which we own shares of capital stock or of which we are a creditor, against expenses actually and necessarily incurred by them in connection with the defense of any actions, suits or proceedings in which they, or any of them, are made parties, or a party, by reason of being or having been director(s) or officer(s) of us or of such other corporation, in the absence of negligence or misconduct in the performance of their duties. This indemnification policy could result in substantial expenditure by us, which we may be unable to recoup.

Insofar as indemnification by us for liabilities arising under the Securities Exchange Act of 1934 may be permitted to our directors, officers and controlling persons pursuant to provisions of the Articles of Incorporation and Bylaws, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy and is, therefore, unenforceable. In the event that a claim for indemnification by such director, officer or controlling person of us in the successful defense of any action, suit or proceeding is asserted by such director, officer or controlling person in connection with the securities being offered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

At the present time, there is no pending litigation or proceeding involving a director, officer, employee or other agent of ours in which indemnification would be required or permitted. We are not aware of any threatened litigation or proceeding which may result in a claim for such indemnification.

Director Compensation

The following table provides summary information concerning compensation awarded to, earned by, or paid to any of our directors for all services rendered to the Company in all capacities for the fiscal year ended September 30, 2009:

This figure includes compensation paid to Martin Berns for work performed as an officer of the Company:

Name and Principal Position	Fees Earned And Paid in Cash	Stock Awards(s)	Option Award(s)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non-qualified Compensation Earnings	All Other Compensation	Total
Martin Berns	0	12,000	0	0	0	81,368(1)	93,368(1)
Eugene Berns	0	12,000	0	0	0	0	12,000
Thomas Hill	0	12,000	0	0	0	0	12,000
Robert Hussey	0	12,000	0	0	0	0	12,000
Brent Gephart	0	12,000	0	0	0	0	12,000
Bruce L. Hollander	0	12,000	0	0	0	0	12,000

COMPENSATION DISCUSSION AND ANALYSIS

BACKGROUND AND COMPENSATION PHILOSOPHY

Our compensation philosophy and objective are simple and straightforward: our goal is to compensate our executives fairly for the services they provide. In 2009, we accomplished our goal by providing a base salary to our named executive officers, the amount of which was established and determined by our Board of Directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of September 30, 2009, for (a) each of our directors, (b) each of our executive officers, (c) each stockholder known to be the beneficial owner of more than 5% of any class of the our voting securities, and (d) all directors and executive officers as a group. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934 and does not necessarily bear on the economic incidents of ownership or the rights to transfer the shares described below.

Unless otherwise indicated, (a) each stockholder has sole voting power and dispositive power with respect to the indicated shares and (b) the address of each stockholder who is a director or executive officer is c/o MediaNet Group Technologies, Inc., 5100 West Copans Road, Suite 810, Margate, FL 33063.

NAME AND ADDRESS	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF CLASS
Martin A. Berns (1)	5,907,511	21.64
Eugene H. Berns (1)	879,584	3.22
Thomas C. Hill (1)	485,833	1.78
Robert Hussey (1)	600,833	2.20
Brent Gephart (1)	1,000,000	3.66
Bruce L Hollander (1)	967,798	3.54
Alfred Fernandez (1)	410,000	1.50
All officers and directors (7 persons)	10,251,559	37.55

(1) The person listed is an officer, a director, or both, of the Company at September 30, 2009.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

From time to time, the Company borrows from officers and directors. At September 30, 2009 and 2008, these loans were $91,500 and $55,000 respectively.

At September 30, 2009, the Company borrowed $250,000 from CG Holdings Limited, a privately held, European based holding company for the DubLi companies. At September 30, 2009, the Company was under agreement to merge with CG Holdings Limited and the transaction closed October 19, 2009.

Director Independence

The NASDAQ Stock Market has instituted director independence guidelines that have been adopted by the Securities & Exchange Commission. These guidelines provide that a director is deemed "independent" only if the board of directors affirmatively determines that the director has no relationship with the company which, in the board's opinion, would interfere with the director's exercise of independent judgment in carrying out his or her responsibilities. Significant stock ownership will not, by itself, preclude a board finding of independence.

Our Board of Directors has determined that Steven Adelstein is our sole independent director as of January 6, 2010.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Lake & Associates CPA LLC is the Company's independent registered public accounting firm engaged to examine the Company's consolidated financial statements for the fiscal nine (9) month period ended September 30, 2009 and the year ended December 31, 2008.

FEES FOR THE FISCAL NINE (9) MONTH PERIOD ENDED SEPTEMBER 30, 2009, AND THE YEAR ENDED DECEMBER 31, 2008

AUDIT AND TAX FEES - Lake & Associates CPA's LLC was paid or accrued an aggregate fee of approximately $35,000 for the accounting services and tax services for the nine (9) month period ended September 30, 2009, and $25,000 for the year ended December 31, 2008.

These fees for accounting services included the audit of our annual financial statements and for the reviews of the financial statements included in our quarterly reports on Form 10-Q for the periods ended March 31, June 30.

The aggregate fees billed by Lake & Associates CPA's LLC for tax compliance, advice and planning were $2,500 for the fiscal period ended September 30, 2009 and 2008.

ALL OTHER FEES. Lake & Associates CPA's LLC were paid approximately $16,000 of other professional services and fees during the nine (9) month period ended September 30, 2009, and approximately $2,500 for the nine (9) month period ended September 30, 2008.

BOARD OF DIRECTORS PRE-APPROVAL POLICIES AND PROCEDURES

Since the establishment of the Audit Committee, our Board of Directors has adopted the policy to pre-approve audit and permissible non-audit services provided by our independent auditors.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

The Exhibits listed below are filed as part of this Transition Report.

(a) Financial Statements

1. The following financial statements of MediaNet Group Technologies, Inc. are included in Part II, Item 8:

Independent Auditors' Report F-2
Balance Sheet-September 30, 2009 and December 2008 .... F-3
Statements of Operations - for the nine months ended
September 30, 2009, December 31, 2008 and September 30, 2008 .... F-4
Statements of Cash Flows - for the nine months ended
September 30, 2009 and 2008 .... F-5
Statements of Stockholders' Equity - for the nine months
ended September 30, 2009 and 2008 .... F-6
Notes to Financial Statements .... F-7 to F-22

(b) Exhibits

31.1 Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.

31.2 Certification pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDIANET GROUP TECHNOLOGIES, INC.

Date: January 12, 2010 *By: /s/ Michael Hansen*
Michael Hansen, Director and Chief Executive Officer

Date: January 12, 2010 *By: /s/ Alfred Fernandez*
Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following directors on behalf of the registrant and in the capacities and on the dates indicated.

Date: January 12, 2010 *By: /s/ Martin Berns*
Martin Berns

Date: January 12, 2010 *By: /s/ Steven Adelstein*
Steven Adelstein

MEDIANET GROUP TECHNOLOGIES, INC.

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Statements of Stockholders' Equity F-5

Statements of Cash Flows F-6

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LAKE & ASSOCIATES, CPA'S

REPORT OF IN DEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Medianet Group Technologies, Inc. and Subsidiary (the "Company")

We have audited the accompanying consolidated balance sheets of Medianet Group Technologies, Inc. and Subsidiary (the "Company") as of September 30, 2009 and December 31, 2008, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the nine months ended September 30, 2009 and the year ended December 31, 2008. We are also presenting the unaudited consolidated balance sheet of the nine months ended September 30, 2008 and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the nine months ended September 30, 2008. Medianet Group Technologies, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed further in Note 3, the Company has incurred an operating loss and continues to incur losses. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Medianet Group Technologies, Inc. and Subsidiary as of September 30, 2009 and December 31, 2008, and the results of its operations and its cash flows for the nine months ended September 30, 2009 and the year ended December 31, 2008 and in conformity with accounting principles generally accepted in the United States of America.

/s/ Lake & Associates CPA's LLC
Lake & Associates CPA's LLC
December 7, 2009

1905 Wright Boulevard
Schaumburg, IL 60193
Phone: 847-524-0800
Fax: 847-524-1655

20283 State Road 7, Suite 300
Boca Raton, Florida 33498
Phone: 561.982.9874
Fax: 561.982.7985

MEDIANET GROUP TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2009 AND 2008 AND DECEMBER 31, 2008

	Audited September 30, 2009	Audited December 31, 2008	Unaudited September 30, 2008
ASSETS			
Current assets			
Cash	$ 46,372	$ 45,390	$ 80,037
Accounts receivable	70,375	34,058	54,183
Note receivable	-	40,600	-
Inventory	80,046	51,742	71,766
Total current assets	196,793	171,790	205,986
Property, plant & equipment			
Computer equipment	42,333	39,329	39,290
Accumulated depreciation	(36,307)	(31,129)	(29,534)
Net property, plant & equipment	6,026	8,200	9,756
Other assets			
Trademark - net	1,600	1,800	1,875
Total other assets	1,600	1,800	1,875
Total assets	$ 204,419	$ 181,790	$ 217,617
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable	$ 40,012	$ 54,818	$ 10,139
Accounts payable-related party	-	20,000	-
Accrued expenses	310,044	153,936	115,910
Loyalty Points payable	209,025	133,773	135,944
Deferred revenue	49,667	20,540	71,649
Accrued Interest-related party	3,038	-	-
Note payable-related party	91,500	132,500	55,000
Total current liabilities	703,286	515,567	388,642
Long term liabilities			
Note payable-related party	250,000	-	-
Total long term liabilities	250,000	-	-
Stockholders' deficiency			
Common stock - $.001 par value, 50,000,000 shares authorized; 27,303,552 issued and outstanding and 20,599,802 issued and outstanding	27,304	20,600	20,436
Preferred Stock -$0.001 par value	-	-	-
Additional paid-in-capital	6,098,715	5,644,701	5,525,016
Accumulated deficit	(6,874,886)	(5,999,077)	(5,716,477)
Total stockholders' deficiency	(748,867)	(333,776)	(171,025)
Total liabilities and stockholders' deficiency	$ 204,419	$ 181,790	$ 217,617

The accompanying notes are an integral part of the consolidated financial statements

MEDIANET GROUP TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS SEPTEMBER 30, 2009 AND 2008 AND FOR THE YEAR ENDED DECEMBER 31, 2008

	For the nine months ended September 30,		December 31,
	Audited 2009	Unaudited 2008	Audited 2008
Revenues			
Gift Cards	$ 1,258,759	$ 1,478,643	$ 2,241,203
Loyalty Points-commissions	328,322	281,576	283,187
Web Desig/Maintenance	134,542	7,470	122,884
Other	-	-	7,899
Total revenue	1,721,623	1,767,689	2,655,173
Cost of sales			
Gift Cards & processing	1,138,716	1,399,493	2,192,001
Loyalty Points - commissions - Affiliates/Consumers	50,715	71,544	220,361
Web Design/Maintenance	27,022	1,136	25,026
Other	5,418	-	2,414
Total cost of sales	1,221,871	1,472,173	2,439,802
Gross Income	499,752	295,516	215,371
Operating expenses			
Consulting fees	250,268	159,424	215,493
Employee salaries & benefits	315,361	258,895	483,748
Loyalty program marketing	-	-	27,930
Other operating expenses	878,630	432,603	294,132
Shipping and handling	-	-	32,384
Total operating expenses	1,444,259	850,922	1,053,687
Net loss from operations	(944,507)	(555,406)	(838,316)
Other income (expense)			
Interest income	-	360	369
Interest expense	(6,292)	-	-
Total other income (expense)	(6,292)	360	369
Net loss before income taxes	(950,799)	(555,046)	(837,947)
Provision for income taxes	-	-	-
Net loss	$ (950,799)	$ (555,046)	$ (837,947)
Gain on sale of subsidiary	74,990	-	-
Net Income (loss) from continuing operations	$ (875,809)	$ (555,046)	$ (837,947)
Basic and diluted net loss per share	$ (0.04)	$ (0.03)	$ (0.04)
Weighted average number of common shares outstanding	23,688,236	19,205,527	19,096,982

The accompanying notes are an integral part of the consolidated financial statements

MEDIANET GROUP TECHNOLOGIES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

	Common Shares Issued	Common Stock	Paid In Capital	Stock Subscription Receivable	Accumulated Deficit	Total Equity'
Balance December 31,2007	17,560,802	$ 17,561	$ 5,135,509	$ (88,000)	$(5,161,130)	$ (96,060)
Stock issued for services @ $.12	75,000	75	13,425	-	-	13,500
Subscription receivable	-	-	-	88,000	-	88,000
Stock issued for services @ $.15	500,000	500	74,500	-	-	75,000
Stock issued for services @ $.16	300,000	300	47,700	-	-	48,000
Stock issued for cash @ $.16	2,000,000	2,000	318,000	-	-	320,000
Stock issued for services @ $.05	100,000	100	4,900	-	-	5,000
Stock issued for services @ $.05	64,000	64	3,136	-	-	3,200
Warrant based compensation recognized for the year	-	-	64,942	-	-	64,942
Stock selling fees	-	-	(17,412)	-	-	(17,412)
Net loss for the year	-	-	-	-	(837,947)	(837,947)
Balance December 31, 2008	20,599,802	$ 20,600	$ 5,644,700	$ -	$(5,999,077)	$ (333,777)
Warrant based compensation recognized for the period	-	-	58,494	-	-	58,494
Stock issued for note payable @ $.06	2,612,500	2,612	154,138	-	-	156,750
Stock issued for services @ $.06	439,584	440	25,935	-	-	26,375
Stock issued for services @ $.06	175,833	176	10,374	-	-	10,550
Stock issued for services @ $.06	175,833	176	10,374	-	-	10,550
Stock issued for services @ $.06	950,000	950	56,050	-	-	57,000
Stock issued for services @ $.06	1,500,000	1,500	88,500	-	-	90,000
Stock issued for services @ $.06	350,000	350	20,650	-	-	21,000
Stock authorized for services @ $.06	500,000	500	29,500	-	-	30,000
Net loss for the nine months ended September 30, 2009	-	-	-	-	(875,809)	(875,809)
Balance September 30, 2009	27,303,552	$ 27,304	$ 6,098,715	$ -	$(6,874,886)	$ (748,867)

The accompanying notes are an integral part of the consolidated financial statements

MEDIANET GROUP TECHNOLOGIES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30,2009 & 2008 AND THE YEAR ENDED DECEMBER 31, 2008

	For the nine months ended September 30, Audited 2009	Unaudited 2008	December 31, Audited 2008
Cash Flow from operating activities:			
Net Loss	$(875,809)	$(555,646)	$(837,947)
Adjustments to reconcile net loss to net cash provided by (used in) operations:			
Depreciation and amortization	5,418	3,794	5,464
Warrants issued for services	58,494	83,879	167,041
Stock issued for services	215,475	-	-
Stock Authorized for services	30,000	-	-
Stock issued for interest related party	6,750	-	-
Changes in operating liabilities and assets:			
Accounts receivable	4,283	(50,252)	(30,127)
Inventory	(28,305)	(37,873)	(17,848)
Note receivable	-	-	88,000
Acccounts payable and accrued liabilities	216,553	38,401	42,133
Accrued interest-related party	3,038	-	-
Deferred revenue	29,128	(7,885)	(56,994)
Net cash used in operations	(334,975)	(525,582)	(640,278)
Cash Flows from investing activities:			
Purchase of fixed assets	(3,043)	39	-
Net cash used in investing activities	(3,043)	39	-
Cash flows from financing activities			
Proceeds on note payable related party	254,000	-	-
Payments on note payable related party	(165,000)	-	-
Stock issued for cash	-	320,000	302,588
Proceeds from issuance of notes payable-related party	250,000	55,000	152,500
Net cash provided by financing activities	339,000	375,000	455,088
Decrease in cash and cash equivalents	982	(150,543)	(185,190)
Cash and cash equivalents, beginning of period	45,390	230,580	230,580
Cash and cash equivalents, end of period	$ 46,372	$ 80,037	$ 45,390
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 3,977	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -
Stock issued on note payable related party	$ 150,000	$ -	$ -
Stock issued for interest on note payable related party	$ 6,750	$ -	$ -

The accompanying notes are an integral part of the consolidated financial statements

MEDIANET GROUP TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Description of Business

The Company was incorporated on June 4, 1999 in the State of Nevada as Clamshell Enterprises, Inc. ("Clamshell") and was organized for the purpose of creating a corporate vehicle to locate and acquire an operating business. On March 31, 2003 Clamshell acquired Brand-A-Port, Inc. ("BAP") in a stock for stock merger transaction. On May 22, 2003, Clamshell changed its name to Medianet Group Technologies, Inc. ("Medianet" or the "Company").

BSP Rewards Inc was formerly named BAP, Inc. BAP, Inc. changed its name to BSP Rewards, Inc., a Florida corporation, on June 21, 2005. BSP Rewards Inc. (formerly BAP, Inc.) is a wholly owned Subsidiary of Medianet. This wholly owned subsidiary of the Company is the online provider of branded business to business and business to consumer web portals. BSP Rewards Inc. acts as an aggregator to bring in a variety of interests to the portal), facilitator (to assist users in communicating with each other) and infomediary (to gather and supply Information to users). The Company developed its flagship product, the "BSP Rewards Program" under its BSP Rewards Inc. subsidiary and has member providers and merchants.

Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. Each division and subsidiary company separately accounts for its operations and transactions, and all inter-company and all inter-divisional transactions have been eliminated.

Year-End and Domicile

The Company and its wholly owned subsidiary adopted September 30 as its year end and are domiciled in Florida.

The Company formerly, its year end, at December 31 and in October, 2009, changed its year end to September 30 (see subsequent footnote 12).

Note 2 - Summary of Significant Accounting Policies

Accounting Principles

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America.

Principle of Consolidation

The financial statements include the accounts of Medianet Group Technologies, Inc. and its wholly owned subsidiary, BSP Rewards, Inc. Intercompany transactions and balances have been eliminated. Equity investments in which the Company exercises significant influence but do not control and are not the primary beneficiary are accounted for using the equity method. Investments in which the Company is not able to exercise significant influence over the investee and which do not have readily determinable fair values are accounted for under the cost method.

Control by Principal Stockholders

The directors, executive officers and their affiliates or related parties, own beneficially and/or control in the aggregate, a significant portion of the voting power of the outstanding shares of the common stock of the Company. Accordingly, the directors, executive officers and their affiliates, if they voted their shares uniformly, may have the ability to control the approval of most corporate actions, including increasing the authorized capital stock of the Company and the dissolution, merger or sale of the Company's assets.

Compensated Absences

The Company has accrued for vacation pay up to the employee's last anniversary date. Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated.

Reclassifications

Certain amounts reported in previous periods have been reclassified to conform to the Company's current period presentation.

Management's Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates, judgments and assumptions that affect the reported amounts of the assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expense during the reporting periods. Examples, though not exclusive, include estimates and assumptions of: loss contingencies; depreciation or amortization of the economic useful life of an asset; stock-based compensation forfeiture rates; estimating the fair value and impairment; potential outcome of future tax consequences of events that have been recognized in our financial statements or tax returns; and determining when investment impairments are other-than temporary. The Company bases its estimates on historical experience and on various assumptions that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates under different assumptions and conditions.

Inventory

The inventory represents gift cards purchased at cost.

Revenue Recognition

The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, the fee is fixed or determinable, collectability is reasonably assured, and there are no substantive performance obligations remaining. The Company's revenue recognition policies are in conformity Accounting Standards Codification ("ASC") 985-605-25 "Software Revenue Recognition", which was previously formerly AICPA's Statement of Position No. 97-2, "Software Revenue Recognition", as amended ("SOP 97-2").The Company also considers EIFT-0021 and EIFT-99-19 in identifying and determining its different types of revenue and payment streams. Our comprehensive revenue recognition policy with reference to each revenue stream is to recognize income when the Company has completely performed its obligations to deliver goods or rendered services to customers. The Company has identified three revenue and payment streams: the sale of gift cards, the design and maintenance of web malls and an incentive or loyalty point program.

As to the sale of gift cards, since we have the inventory and credit risks, we recognized the gross sales upon receipt of payment and the shipping of the gift cards from our offices to the consumer. In the case where the Company builds web sites for clients, revenue is recognized when the web site is finished and operational and the client makes final payment. All clients, whereby the Company has built the web mall, usually contract with the Company for the maintenance of the web site. The Company charges, in certain cases, a per-client, per-month repetitive web-site maintenance service fee. Customer payments received in advance for providing maintenance or design services are recorded as revenue and are then recognized proportionately as the maintenance services are performed.

As to the incentive-loyalty points program, where we have no inventory or credit risks, we recognize revenue 45 days after the sales has been made in the client's web mall. The 45 day waiting period is a contractual or verbal arrangement with the web merchant and the Company's business practice to allow for returns and collections risks on the part of the merchant. After the 45 day period expires, the web merchants pays the Company the contracted for rebate/commission. Upon the receipt of payment from the merchant, the Company recognizes revenue as earned pursuant to the agreement with said client.

The Company's loyalty point program revenue recognition program can be illustrated as follows:

If the agreed percentage to the consumer member from the merchant mall has been agreed to be 2% of the value of the items purchased, then this amount is tracked and accumulated by our in house developed programs. The consumer-member earns these two points as $2.00 (2% on $100 of purchases) and is allocated to its account after the before mentioned 45 day waiting period. The term or life of these loyalty points to the consumer is two years from the date of the consumers last transaction, before it is lost.

Unclaimed or unused points are recognized as income after the two year period expires. This practice is known in the industry as "breakage". However, the two year term is extended for another two years every time the consumer-member purchases or redeems through the web site. Loyalty points earned but unused by consumers are recorded on our books as a loyalty points payable and expense. They are credited to our liability account as long as the consumer/member does not use them to make further purchases within our merchants' member web malls.

If a member uses them to make further purchases his account is debited. The consumer is also debited if he "loads" these points as cash on to our membership provided debit card. If he loads them onto a pre-paid debit card he may use it as any debit card and even make cash withdrawals at an ATM machine. In this case his account is debited reducing the loyalty point liability on our books. Through vendors that manage the debit card programs, the Company (pays-to fund) the points loaded by the member. Any transaction fees paid to any such vendor is recognized by the Company as commission expense. The "breakage" is recognized by the Company by debiting the loyalty point payable and crediting the loyalty point commission expense, thus reflecting the income due to breakage. This income has been immaterial, since there is a strong incentive by the consumers to spend these points within our member mall due to their economic savvy and our marketing efforts.

Accounts Receivable

Accounts receivable are composed primarily of merchant billings under our credit card facilities there was $70,375, $34,058 and $54,183 in process at September 30, 2009, December 31, 2008 and September 30, 2008, respectively, and not yet received by our bank. The Company does not provide an allowance for doubtful accounts on accounts receivable based on its immateriality.

Property, Software and Leasehold Improvements

Property is recorded at cost. The cost of maintenance and repairs of equipment is charged to operating expense when incurred. Depreciation and amortization is determined based upon the assets' estimated useful lives, and is calculated on a straight-line basis when the asset is placed in service. When the Company sells, disposes or retires equipment or replaces a leasehold improvement, the related gains or losses are included in operating results. Property is depreciated over five or seven years and begins when it is placed in service.

Depreciation and amortization are provided for financial reporting primarily on the accelerated and the straight-line methods over the estimated useful lives of the respective assets as follows:

	Estimated Useful Life
Computer equipment	5 years

Capitalized software applications purchased for internal use are recorded at cost and are amortized over sixty months.

Other Assets

The Company capitalizes computer software development costs in accordance with the provisions of Accounting Standards Codification ("ASC") 985-20 Costs of Software to Be Sold, Leased, or Marketed, which was previously Statement of Financial Accounting Standards No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed" ("SFAS No. 86"). SFAS No. 86

requires that the Company capitalize computer software development costs upon the establishment of the technological feasibility of a product, to the extent that such costs are expected to be recovered through future sales of the product. Management is required to use professional judgment in determining whether development costs meet the criteria for immediate expense or capitalization.

These costs are amortized by the greater of the amount computed using (i) the ratio that current gross revenues from the sales of software bear to the total of current and anticipated future gross revenue from the sales of the software or (ii) the straight line method over the estimated useful life of the product. As a result, the carrying amount of the capitalized software costs may be reduced materially in the near term.

Accounting Standards Codification ("ASC") 350-40 Intangibles--Goodwill and Other, Internal-Use Software formerly Statement of Position 98-1, "Accounting for the Costs of Computer Software Development For or Obtained for Internal Use" ("SOP 98-1") requires capitalization of certain cost incurred in the development of content for the Company's website, and web site maintenance costs to be expensed as incurred.

The trademark was placed in service September 2001 and cost approximately $4,000. Amortization expense was $200 for the period ended September 30, 2009 and $225 for the period ended September 30, 2008.

Start-Up Costs

The Company, in accordance with the provisions of the Accounting Standards Codification ("ASC") 720-15-25 Other Expenses, Start-Up Costs, Recognition, formerly American Institute of Certified Public Accountants Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-up Activities, expensed all start-up and reorganization costs as they incurred.

Impairment of Long-Lived Assets

In accordance with Accounting Standards Codification ("ASC") 360-10-05-4 "Property, Plant, and Equipment-Impairment or Disposal of Long-Lived Assets", which was previously Financial Accounting SFAS No.144, "Accounting for the Impairment or Disposal of Long-lived Assets", the Company assesses long-lived assets, such as property and equipment and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be fully recoverable. Recoverability of asset groups to be held and used in measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of an asset group exceeds the fair value of the asset group. The Company evaluated its long-lived assets and no impairment charges were recorded for any of the periods presented.

Cash, Cash Equivalents and Financial Instruments

The Company considers all highly liquid instruments with original maturities of three months or less at the date of purchase to be cash equivalents. In general, investments with original maturities of greater than three months and remaining maturities of less than one year are classified as short term investments.

Concentrations

The Company maintains its cash in a bank deposit account, which at time may exceed the federally insured limits. The Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair value of Financial Instruments

Financial instruments consist principally of cash, accounts receivables, trade and related party payables, accrued liabilities, short-term obligations and notes payable. The carrying amounts of such financial instruments in the accompanying consolidated balance sheets approximate their fair values due to their relatively short-term nature. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

Policy on Classification of Accounts

The Company's policy as to cost of sales is to include only the cost of acquiring gift cards and the fee charged to us to process the credit cards used by consumers to purchase our gift cards. The inclusion of these costs may not allow for a direct and meaningful comparison of the gross profit to competitors in the same industry.

Loss per Common Share

Basic loss per common share is provided in accordance with Accounting Standards Codification ("ASC") 260-10-45-10 "Earnings Per Share - Basic EPS - Computation of Basic EPS, which previously was SFAS 128, "Earnings Per Share." Basic loss per common share is computed by dividing the net loss available to the shareholders of common stock by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing the net loss by the weighted average number of common shares including the dilutive effect of common share equivalents then outstanding. Common stock equivalents are not included in the computation of diluted net loss per common share because the effect would be anti-dilutive.

Dividends

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid or declared since inception.

Share-Based Payments

The Company adopted Accounting Standards Codification ("ASC") 718 "Compensation - Stock Compensation", which was previously Statement of Financial Accounting standards ("SFAS") No. 123 (Revised December 2004), "Share-Based Payment" (SFAS No. 123R), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors, including stock options, employee stock purchases related to an employee stock purchase plan and restricted stock units based on estimated fair values of the awards over the requisite employee service period. SFAS No. 123R supersedes Accounting Principles Board Opinion No. 25 ("APB No. 25"), "Accounting for Stock Issued to Employees", which the company previously followed in accounting for stock-base awards. In March 2005, the SEC issued Staff Bulletin No. 107("SAB No. 107"), to provide guidance on SFAS 123R. The Company has applied SAB No. 107 in its adoption of SFAS No. 123R.

Under SFAS No. 123R, stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized on a straight-line basis as expense over the employee's requisite service period. The Company adopted the provisions of the SFAS 123R in its fiscal year ended September 30, 2008 using the modified prospective application method.

The valuation provisions of SFAS 123R apply to new awards and to awards that are outstanding on the effective date (or date of adoption) and subsequently modified or cancelled; prior periods are not revised for comparative purposes. Estimated compensation expense for awards outstanding on the effective date will be recognized over the remaining service period using the compensation cost calculated for pro forma disclosure under FASB Statement No. 123, "Accounting for Stock-Based Compensation".

Comprehensive Loss

The Company has no components of other comprehensive loss. Accordingly, net loss equals comprehensive loss for all periods.

Income Taxes

The Company accounts for income taxes as outlined in the Accounting Standards Codification ("ASC") 740 "Income Taxes", which was previously Financial Accounting Standards Board (FASB) Statement No. 109, ("Accounting for Income Taxes" "Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There were no current or deferred income tax expense or benefits due to the Company not having any material operations for the period ended September 30, 2009.

Recent Authoritative Accounting Pronouncements

Recent Accounting Literature
FASB Accounting Standards Codification

(Accounting Standards Update ("ASU") 2009-01)
In June 2009, FASB approved the FASB Accounting Standards Codification ("the Codification") as the single source of authoritative nongovernmental GAAP. All existing accounting standard documents, such as FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and other related literature, excluding guidance from the Securities and Exchange Commission ("SEC"), have been superseded by the Codification. All other non-grandfathered, non-SEC accounting literature not included in the Codification has become nonauthoritative. The Codification did not change GAAP, but instead introduced a new structure that combines all authoritative standards into a comprehensive, topically organized online database. The Codification is effective for interim or annual periods ending after September 15, 2009, and impacts the Company's financial statements as all future references to authoritative accounting literature will be referenced in accordance with the Codification. There have been no changes to the content of the Company's financial statements or disclosures as a result of implementing the Codification during the nine months ended September 30, 2009.

As a result of the Company's implementation of the Codification during the nine months ended September 30, 2009, previous references to new accounting standards and literature are no longer applicable. In the current quarter financial statements, the Company will provide reference to both new and old guidance to assist in understanding the impacts of recently adopted accounting literature, particularly for guidance adopted since the beginning of the current fiscal year but prior to the Codification.

Subsequent Events

(Included in Accounting Standards Codification ("ASC") 855 "Subsequent Events", previously SFAS No. 165 "Subsequent Events") SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued ("subsequent events"). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after June 15, 2009 and did not impact the Company's financial statements. The Company evaluated for subsequent events through the issuance date of the Company's financial statements. No recognized or non-recognized subsequent events were noted.

Determination of the Useful Life of Intangible Assets

(Included in ASC 350 "Intangibles -- Goodwill and Other", previously FSP SFAS No. 142-3 "Determination of the Useful Lives of Intangible Assets") FSP SFAS No. 142-3 amended the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under previously issued goodwill and intangible assets topics. This change was intended to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the asset under topics related to business combinations and other GAAP. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after the effective date and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date. FSP SFAS No. 142-3 became effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The adoption of FSP SFAS No. 142-3 did not impact the Company's financial statements.

Noncontrolling Interests

(Included in ASC 810 "Consolidation", previously SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51") SFAS No. 160 changed the accounting and reporting for minority interests such that they will be recharacterized as noncontrolling interests and classified as a component of equity. SFAS No. 160 became effective for fiscal years beginning after December 15, 2008 with early application prohibited. The Company implemented SFAS No. 160 at the start of fiscal 2009. The adoption of SFAS No. 160 did not have any other material impact on the Company's financial statements.

Consolidation of Variable Interest Entities -- Amended

(To be included in ASC 810 "Consolidation", SFAS No. 167 "Amendments to FASB Interpretation No. 46(R)")
SFAS No. 167 amends FASB Interpretation No. 46(R) "Consolidation of Variable Interest Entities regarding certain guidance for determining whether an entity is a variable interest entity and modifies the methods allowed for determining the primary beneficiary of a variable interest entity. The amendments include:
(1) the elimination of the exemption for qualifying special purpose entities,
(2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. SFAS No. 167 is effective for the first annual reporting period beginning after November 15, 2009, with earlier adoption prohibited. The Company will adopt SFAS No. 167 in fiscal 2010 and does not anticipate any material impact on the Company's financial statements.

Note 3 - Going Concern and Management's Plan

The Company's future operations are subject to all of the risks inherent in the establishment of a new business enterprise. At September 30, 2009, current liabilities exceeded current assets by $506,493. At September 30, 2008, current liabilities exceeded current assets by $182,656.

The financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization and satisfaction of liabilities and commitments in the normal course of business. At September 30, 2009 and 2008, the Company had an accumulated deficit of ($6,874,886) and
($5,716,477). The Company also realized net losses of ($875,809) and ($555,046)
for the nine month period ended September 30, 2009 and 2008, respectively.

Operations to date have been primarily financed by related parties' advances and equity transactions. As a result, the Company's future operations are dependent upon the identification and successful completion of permanent equity financing, the continued support of shareholders and ultimately, the achievement of profitable operations. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to amounts and classification of liabilities that may be necessary should it be unable to continue as a going concern. Factors that could affect the Company's future operating results and cause future results to vary materially from expectations include, but are not limited to, lower than anticipated business derived from existing clients, an inability to attract new clients and grow on its own, loss of a major customer, an inability to control expenses, technology changes in the industry, changes in regulatory requirements, a decline in the use of the Internet as a savings mechanism for consumer purchases, a decline in the financial stability of the Company's clients and general uncertain economic conditions. Negative developments in these or other risk factors could have a material adverse effect on the Company's future financial position, results of operations and cash flows.

Note 4 - Discontinued Operations

On January 14, 2005 the Company formed Memory Lane Syndication, Inc. ("MLS") as a wholly owned subsidiary in the State of Florida as a vehicle to hold and market its video and sound libraries, namely 130 color episodes of the 1970's "Howdy Doody" television show and original recordings of songs written by Fred Rogers known as "Songs From The Neighborhood - A Tribute To Mr. Rogers".

In January 2009, the Company determined it was in the best long-term interest of the Company to discontinue the operations of Memory Lane Syndications, Inc., a wholly-owned subsidiary, and put the assets and business up for sale. Since January, 2007, Memory Lane Syndications, Inc. has been inactive except for the liquidation of inventory from time to time. The decision to sell this wholly owned subsidiary was primarily influenced by management's decision to concentrate its efforts on its wholly owned subsidiary, BSP Rewards, Inc. On March 27, 2009, the Company closed a sale agreement with its Chief Operating Officer, Martin Berns, by selling 100% of the common stock of Memory Lane Syndications, Inc. for $75,000. Terms of the sale stipulated that the Company reduce Mr. Bern's demand Note for $75,000.

The Company recognized a net gain of $74,990 on the disposal of the subsidiary and reported in the Consolidated Statements of Operations and Cash Flows within the caption, "discontinued operations". A summary of the disposition follows:

Stockholder Shares	$ (10)
Liabilities	0
	(10)
Sale price	75,000
Net gain	$ 74,990

Note 5 - Income Taxes

The Company accounts for income taxes as outlined in the Accounting Standards Codification ("ASC") 740 "Income Taxes", which was previously Financial Accounting Standards Board (FASB) Statement No. 109, ("Accounting for Income Taxes" "Statement 109"). Under Statement 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Total deferred tax assets and liabilities at September 30 are as follows:

	2009	2008
Deferred tax assets Tax NOL	$ 2,749,954	$ 2,286,591
Valuation Allowance	(2,749,954)	(2,286,591)

The Company has available at September 30, 2009, unused federal and state net operating loss carry forwards totaling $6,874,886 that may be applied against future taxable income that expire in the years 2009 through 2022. The tax benefit of these net operating loss carryforwards, based on an effective tax rate of 40% is approximately $2,749,954. Management believes it is more likely than not that all of the deferred tax asset will not be realized. A valuation allowance has been provided for the entire deferred tax benefit.

Note 6 - Fixed Assets

Equipment at cost consists of computer equipment and software. Depreciation expense for the nine month period ended September 30, 2009 and 2008 was $5,418 and $3,569 respectively.

Note 7 - Legal Proceedings

From time to time, the Company has disputes that arise in the ordinary course of its business. Currently, according to management, there are no material legal proceedings to which the Company is party or to which any of its property is subject.

Note 8 - Commitments and Contingencies

The Company has an employment agreement with the major stockholder providing for certain guaranteed payments starting January 1, 2005 and ending December 31, 2009. The terms of this employment agreement call for an annual salary of $52,000 plus other standard employee benefits.

The Company has a non-cancelable operating lease for office space with an unrelated party. The lease began March 1, 2004 and expires January 31, 2010. Accordingly, the company has $16,668 remaining on this non-cancelable operating lease for the period ending January 31, 2010.

Note 9 - Notes Payable-Related Parties

The Company as several notes payable at September 30, 2009 and 2008 as follows:

	2009	2008	Description
Term notes	$250,000	$ 0	Maturity Date of July 7, 2011 and August 14, 2011. 6% Interest due monthly starting January 1, 2010
Demand Notes ..	$ 91,500	$ 55,000	Demand Notes
TOTAL	$341,500	$ 55,000	

Note 10 - Consulting and Sales Agreements

During the period of January 1, 2008 through September 30, 2009, the Company has signed Marketing Partner and /or Member provider Agreements ("Agreements") with various individuals or companies. These agreements allow companies to become Marketing Partners and /or Member Providers of the BSP Rewards program. Marketing Partners sell the BSP program on behalf of the Company on a straight commission basis. Member Providers enroll Members into the BSP Rewards platform.

The terms of these agreements are generally one (1) year from the effective date, and can be renewed for successive one (1) year periods after the initial one (1) year term, if agreed by both parties in writing within 30 days of license expiration. Either party may terminate the "AGREEMENT" on Ninety (90) days written notice during a renewed term.

In May 29, 2009, the company granted to a marketing partner, a right of first refusal in the event of sale of its wholly owned subsidiary BSP Rewards. In accordance with this grant, the marketing partner has 30 days to match all terms and conditions if and when a contract for sale is agreed upon.

Note 11 - Stock, Options and Warrants

On October 29, 2004 the Company adopted an Incentive and Non-Statutory Stock Option Plan. Pursuant to the Plan, the Company may grant incentive and non-statutory (nonqualified) stock options to officers, employees, directors, and certain other persons who provide services to the Company or its subsidiary. A total of 350,000 shares of common stock have been reserved for issuance under the Plan. Non-employee directors may be granted options to purchase 5,000 shares of the Company's common stock upon their initial election or appointment to the board. Incentive options may not be granted to a more than 10% stockholder.

The maximum term of options granted under the Plan is ten years. Options granted are nontransferable and generally expire within three months after the termination of the grantee's service. The exercise price of incentive stock options must not be less than the fair value of the common stock on the date of the grant. The authority to grant new options under the Plan will terminate on October 29, 2014, unless the Plan is terminated prior to that time by the board of directors.

On January 23, 2007, the Company issued options to purchase 75,000 shares of common stock to a director. The options are exercisable at $0.20 per share, which represents 50% of the closing bid price per share of the Company's common stock price on January 23, 2007. These options were later cancelled in exchange for restrictive common shares valued at $0.08 per share.

The issuances of stock options are accounted for using the fair value method in accordance with Accounting Standards Codification ("ASC") 718-10-30 Compensation--Stock Compensation - Overall - Initial Measurement, which was previously SFAS No. 123(, "Accounting for Share Based Compensation". Accordingly, compensation expense is recognized over the vesting period. Compensation expense recorded due to stock option and warrant vesting was $58,494 and $45,676 for the nine months period ended September 30, 2009 and 2008.

As of September 30, 2009, the Company had outstanding warrants to purchase up to 3,098,000 shares of common stock. These securities give the holder the right to purchase shares of the Company's common stock in accordance with the terms of the instrument.

	Warrants	Options
Balance, January 1, 2009	3,287,000	225,000
Expired	(189,000)	(225,000)
Balance, September 30, 2009 ...	3,098,000	0

The following table provides certain information with respect to the above referenced warrants outstanding at September 30, 2009:

	Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Life Years
Warrants	$0.10 - $1.00	3,098,000	$0.37	2.0

Common Stock

The company has authorized common shares at September 30, 2009 and 2008 of 50,000,000 having par value of $0.001. At September 30, 2009 and 2008, the company had 27,303,552 shares outstanding and 20,599,802 outstanding respectively.

On January 23, 2008, the Company issued 75,000 restrictive common shares in lieu of payment for services rendered to an unrelated vendor. The value of the services owed by the Company was $13,500.

On February 22, 2008 the Company issued 500,000 shares of restricted common stock for services rendered to directors, officers and employees.

On July 14, 2008 the Company issued 85,000 shares of restricted common stock for services rendered to officer and employees.

On July 14, 2008 the Company issued 215,000 shares of restricted common stock for services rendered to two unrelated vendors for services rendered.

On July 14, 2008, the Company consummated the private sale of 2,000,000 restricted common shares to accredited investors, at a price of $0.16 per share. The total offering price was $320,000 less offering costs of $17,412.

On December 2, 2008 the Company issued 100,000 shares of restrictive common stock to a Director (Thomas Hill) for services rendered at a price of $0.05 per share.

On December 22, 2008, the Company issued 64,000 restrictive common shares in lieu of payment for services rendered to an unrelated vendor.

On June 5, 2009, the Company issued 3,403,750 restricted common shares on conversion of debt in the amount of $204,225 at a price of $0.06 per share. Of the total amount of $204,225, member of the Board of Directors converted $204,225.

On June 5, 2009, the Company issued 450,000 restricted common shares for services rendered to independent consultant at a price of $0.06 per share.

On June 19, 2009, the Company issued 1,500,000 restricted common shares for services rendered to members of the Board of Directors at a price of $0.06 per share.

On June 19, 2009, the Company issued 850,000 restricted common shares for services rendered to independent consultants (410,000 shares) and employees (440,000 shares) at $0.06 per share.

On June 20, 2009, the Company authorized the issuances of 500,000 restricted common shares for services rendered to an independent consultant at $0.06 per share.

Preferred Shares

The Company has authorized preferred shares at September 30, 2009 and 2008 of 5,000,000. At September 30, 2009 and 2008, the company had 0 preferred shares outstanding. In September, 2009, the Board of Directors authorized that each preferred share would have a super vote as compared to a single vote per common share to be determined on the event of a closing of merger were to happen with the DubLi shareholders (see subsequent events, note 12).

Related Transactions

The Company uses the services of Xcel Marketing, an entity controlled by one of the Directors, Thomas Hill for the period ended September 30, 2009. This vendor was paid $0 plus 200,000 of restrictive common shares for the nine months ended September 30, 2009 and $44,750 plus 100,000 restrictive common shares for the nine months ended September 30, 2008.

From time to time, the Company borrows from officers and directors. At September 30, 2009 and 2008, these advances were $91,500 at September 30, 2009 and $55,000 at September 30, 2008. Interest has been accrued on the note at 6% and is $3,038 for the nine months ended September 30, 2009.

Note 12 - Subsequent Events

Closing of the DubLi Merger

Effective October 19, 2009, the company has completed its reverse merger with CG Holdings Limited, a privately-held, European-based holding company for the DubLi companies, a worldwide online trading firm ("DubLi"). DubLi became a wholly-owned subsidiary of the Company, and DubLi's Chief Executive and Operating Officers has assumed the same positions with Medianet. Medianet's board of directors is currently controlled by directors nominated by DubLi. Additional details of the merger transaction appear in Medianet's reports on Form 8-K filed with the Securities and Exchange Commission on August 14, September 30, and October 23, 2009.

As previously disclosed in the amended merger agreement filed with the Commission on September 30, at closing Medianet issued 5,000,000 shares of Series A Convertible Preferred Stock to DubLi shareholders and no common stock. The Series A Convertible Preferred Stock automatically converts into 90% of the shares of common stock of Medianet to be issued and outstanding after the conversion and has 90% of the voting power of Medianet's shareholders. Medianet will file proxy material with the Commission to increase its authorized common shares to 500,000,000 and its authorized preferred shares to 25,000,000. Upon completion of the increase in authorized shares, the fully diluted common shares of Medianet will be 299,016,520, of which DubLi shareholders will own 269,114,868 shares.

Change of Fiscal Year End

On October 22, 2009, the Company's Board of Directors determined to change its fiscal year end from December 31 to September 30 to conform with DubLi's fiscal year end. The Company will report the change in fiscal year on its Report on Form 10-K to be filed by the end of calendar year 2009.

Unregistered Sales of Equity Securities

In connection with the authorization by the Board of Directors of the Company of the Merger, the Company authorized the issuance of 5,000,000 shares of its Series A Stock in exchange for all of the DubLi shares. The shares of DubLi are beneficially owned equally by Michael Hansen, the President of DubLi, and Michel Saouma, a business associate of Mr. Hansen.

Material Modification to Rights of Security Holders

On October 16, 2009, the Company filed a Certificate of Designation for its Series A Stock pursuant to which the Company, at the direction of its Board of Directors, designated the rights and preferences of all 5,000,000 authorized shares of preferred stock, par value $0.01 per share, of the Company. The principal terms of the Series A Stock are as follows. The Series A Stock participates in any distribution of dividends pari passu with holders of common stock on the basis of 53.8229736 shares of common stock for each share of Series A Stock. Each holder of outstanding shares of Series A Stock is entitled to 53.8229736 shares for each share of Series A Stock held as of the record date for the determination of stockholders entitled vote at the meeting. Except as provided by Nevada Statutes, holders of Series A Stock vote together with the holders of common stock as a single class. In the event that the Company's shareholders approve an increase in the Company's authorized shares of common stock to not less than five hundred million (500,000,000) shares, each share of Series A Stock then outstanding shall automatically be converted into 53.8229736 shares of common stock without further action by the holders of the Series A Stock or the Company. The Company does not have reserved and available out of its authorized but unissued shares of common stock the number of shares of common stock that shall be sufficient to effect the conversion of all outstanding shares of Series A Stock. Accordingly, the Company has agreed to proceed to submit for approval by its shareholders, including the holders of Series A Stock, an increase to not less than five hundred million (500,000,000) shares of the Company's authorized common stock.

Changes in Control of the Company

On October 19, 2009, there was a change in the effective control of our Company. On that date, pursuant to the Company's Merger Agreement dated as of August 10, 2009, and subsequently amended on September 25, 2009, among the Company, the Company's then subsidiary Medianet Merger Sub, Inc., a Nevada corporation, and DubLi, the Company acquired all of the issued and outstanding shares of DubLi for 5,000,000 shares of the Company's Series A Stock. The Series A Stock has a voting power, as to each share of Series A Stock, of 53.8229736 shares, and is mandatorily convertible into common shares on the same basis upon the Company's increasing its authorized common shares to no less than five hundred million (500,000,000) shares, which it intends to do as soon as practicable. Accordingly, the shareholders of DubLi control 90% of the voting power of the Company. Further as a condition of the acquisition of DubLi by the Company, we agreed to appoint Michael Hansen as a director, the President and Chief Executive Officer of our Company; Kent Holmstoel as a director and Chairman of our Company; and Andreas Kusche as a Director and the General Counsel of the Company. Also in connection with the Merger, all of the directors of the Company other than Mr. Berns have resigned. The appointment of Messrs. Hansen, Holmstoel, and Kusche will be effective upon our compliance with Securities and Exchange Commission Rule 14f-1.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Hansen, certify that:

1. I have reviewed this Form 10-K of MEDIANET GROUP TECHNOLOGIES, INC.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 12, 2010

By: /s/ Michael Hansen
Michael Hansen, Chief Executive Officer
and Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alfred Fernandez, certify that:

1. I have reviewed this Form 10-K of MEDIANET GROUP TECHNOLOGIES, INC.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 12, 2010

By: /s/ Alfred Fernandez
Alfred Fernandez
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Transition Report of MEDIANET GROUP TECHNOLOGIES, INC. (the "Company") on Form 10-K for the transition period from January 1, 2009 to September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Hansen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael Hansen
Michael Hansen
Chief Executive Officer

January 12, 2010

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Transition Report of MEDIANET GROUP TECHNOLOGIES, INC. (the "Company") on Form 10-K for the transition period from January 1, 2009 to September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alfred Fernandez, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Alfred Fernandez
Alfred Fernandez
Chief Financial Officer

January 12, 2010