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

FORM 10-KSB

(Mark One)

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

For the fiscal year ended DECEMBER 31, 2006

[_] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to _____.

Commission File Number 0-32307

MEDIANET GROUP TECHNOLOGIES, INC.
(Name of small business in its charter)

NEVADA	13-4067623
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

5100 W. COPANS ROAD, SUITE 710, MARGATE, FL 33063
(Address of principal executive office)(Zip Code)

Issuer's telephone number 954-974-5818

Securities registered under Section 12(b) of the Act:

N/A

Securities registered under Section 12(g) of the Act:

COMMON STOCK, $0 .001 PAR VALUE
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [_]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will 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-KSB or any amendment to this Form 10-KSB. [_]

State issuer's revenues for its most recent fiscal year. $433,720

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. The aggregate market

value of the voting stock held by non-affiliates as of March 12, 2007 was approximately $2,035,226

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

AS OF MARCH 12, 2007, THE COMPANY HAD 11,961,736 COMMON SHARES OUTSTANDING.

Transitional Small Business Disclosure Format (Check one): Yes ___; No _X_

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PART I

ITEM 1. DESCRIPTION OF BUSINESS.

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Form 10-KSB 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-KSB 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.

BACKGROUND

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

From the date of our incorporation through December 31, 2002, our only business activities were the organizational activities described above and efforts to locate a suitable business opportunity for acquisition. In January 2003, we identified a business opportunity we wanted to acquire.

On February 3, 2003, we affected a change of control as the first step in the business acquisition process. Brand-A-Port, Inc., (formerly ShutterPort, Inc.), a Florida corporation, purchased from five of our major shareholders 3,331,000 (or approximately 93%) of our issued and outstanding shares. The shares were purchased for $35,000.

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. In addition, the 3,331,000 shares which Brand-A-Port previously purchased were surrendered for cancelation. 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 is deemed to be the accounting acquirer and is deemed to have adopted our capital structure.

CURRENT AND FUTURE OPERATIONS

The operations of MediaNet Group Technologies, Inc. are carried on through wholly owned subsidiaries. As used herein, the "Company" refers to MediaNet Group Technologies, Inc and its wholly owned subsidiaries. The Company's operations include the design development and marketing of (1) branded loyalty programs, (2) branded websites and (3) audio and video products.

BSP Rewards	This division provides private branded loyalty and reward web malls and programs to both for profit and not for profit companies and organizations and for on-line and in-store 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 may be accumulated and used at any time to make additional purchases from any participating merchant in the program. The BSP program is proprietary to the Company.
Brand-A-Port	The Brand-A-Port division is building and hosting web

	sites for business customers using proprietary platform applications we have developed. Such web sites are designed to include the name, logo, color scheme and customized or personalized content provided by the customer, but are also designed to serve as Internet web portals which provide users with direct access to news, weather and other information available on the Internet as well as private branded web malls operated by BSP Rewards.
Memory Lane Syndication	Through this division we have acquired ownership of 130 color episodes of the 1970's Howdy Doody television show. We license others to manufacture and market videos of these episodes, as well as to license them for possible television and radio syndication. Initial marketing of videos commenced in the fourth quarter of 2004. Subsequently, in 2005, we produced a combination CD/DVD known as Songs From The Neighborhood / The Music of Mister Rogers which and are presently offering for sale on a direct basis and through various wholesale and retail distributors and both on-line and brick and mortar stores. The CD/DVD won the distinguished GRAMMY AWARD on February 8, 2006 as the best children's music album as well as a Dove award, the Creative Child Award - Creative Child magazine, Parents' Choice - Parent's Choice Foundation and the 2006 Notable Children's Recordings from the Association of Library Service To Children.

BSP REWARDS

The BSP Rewards component of our business 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. These rewards act as a common currency that may be accumulated and used at any time to make additional purchases from any participating merchant in the program.

The BSP Rewards program is primarily a web based program, but has commenced initial expansion to also operate in physical locations. 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. 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. In certain circumstances, we also pay a portion of the rebate as residual passive income to the organization or company which enrolled the member in the program.

We have established a separate reserve account in which we hold all amounts designated as accumulated member rewards. Members, merchants and member providers may view reports on-line indicating the total amount of purchases made and of rewards accumulated. 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 certificates or gift cards on-line 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 certain online and in-store merchants for redemption. This card allows the reward points to be loaded on the card and spent like cash at participating merchants.

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. This program has commenced limited operations, and member provider agreements have been signed with initial companies. Member provider agreements provide that the organization will normally enroll their members for free and BSP shall pay to the member providers a straight 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 by the member provider actually earn rewards through the program. Three of the companies or associations with whom the Company has entered into member provider agreements are the AME Church, Global Cash Card and ADP. At this time, none of these agreements are material and

minimum revenues have yet been produced.

We have also signed Branded BSP Rewards Merchant Agreements with web based merchants such as Lobstergram and Cruises, Inc who have agreed to pay a rebate percentage of the value of each sale, and will also redeem BSP Rewards as payment for sales to our members. Additionally the Company has signed branded agreements with organizations such as Fortune Hi-Tech Marketing who utilizes the program as a shopping mall and Americlean who pays the company a monthly fee to administer the branded program we built for them.

Additionally, BSP has signed Strategic Marketing Partnership agreements with organizations that act as introductory or sales agents for the Company. Such companies include ADP for the auto industry, and Spirit Incentives for various channels.

It is our intention to market the BSP Rewards program to larger companies when we have the capital available to do so. Major membership clubs, organizations credit and stored value card users and companies have the capability of quickly expanding the BSP membership base to their large participating groups which would greatly enhance our potential revenue stream. Although we have commenced initial sales in these markets, we would require substantial working capital prior to commencing marketing efforts directed at larger organizations as such efforts can be time consuming and costly. BSP Rewards is the Company's primary division with the preponderance of its efforts directed towards its expansion and growth.

BRAND-A-PORT

Our Brand-A-Port segment has a proprietary platform application which allows us to build customized web sites which also serve as internet portals. Internet web sites are normally single purpose sites utilized to provide information about a person, a company or a product. Individuals typically visit internet web sites for a single targeted purpose, and once that purpose is satisfied, have no reason to remain on the site or to re-visit unless a specific purpose arises again. An internet portal is a web site which is designed to encourage visitors to remain on the site or to re-visit the site numerous times. A web site which is also an internet portal includes the same types of specific information normally found on a traditional web site, but also includes additional content, information and features such as a search engine, headline news, maps, stock market information, weather information, horoscopes, games, and the like.

We license the general content and appearance of a Brand-A-Port internet portal to our clients and then brand or customize the portal to fit the needs of the client and its unique industry and customer/visitor base. The branding includes adding the name and color scheme of the client and may also include adding customized content and web pages desired by the client.

We charge clients a fee for building their portal and also charge a monthly hosting fee. The amount of both the initial fee and the monthly hosting fee varies depending on the features and services the client selects. Portals are generally required to be paid for prior to construction and hosting fees are generally required to be paid quarterly in advance. We normally charge between $1,995 and $4,995 to build the site, and between $199 and $250 per month to host and maintain it. We host client's portals on servers at Datapipe, a national hosting center. Datapipe manages and maintains our server operations. We maintain the coding and other information necessary to administer the operations of the web portals created for our clients, and we update the content and design of the various sites as necessary. The monthly fee which we charge clients for hosting varies depending upon the type of portal the client selects. Hosting fees are higher for portals which include custom features.

Our target market for the Brand-A-Port product is currently smaller companies with small budgets that either do not currently have a web presence, or who wish to expand on that presence without being required to make a large expenditure. We primarily utilize this application to build our branded BSP Rewards sites

MEMORY LANE SYNDICATION

We commenced operations of Memory Lane Syndication in January 2003 with the acquisition of the 130 color episodes of the 1970's Howdy Doody Show. It is

our intention to seek to re-establish the name and recognition value of our Howdy Doody intellectual library in a number of ways.

We have on-going marketing efforts directed toward sales of videos to consumers on our www.doodyville.com website. We expect to be able to continue with this type of marketing effort regardless of whether we are able to raise any significant amount of working capital. The suggested retail price for direct sales on the web is between $9.49 and $49.95 for an 86-minute VHS video and DVD box set, respectively.

We have entered into two licensing agreements relating to Howdy Doody episodes. The first is a Rights Acquisition Agreement with GIAM (formerly GoodTimes Entertainment) granting them a license to manufacture and distribute 40 of the Howdy Doody episodes to retailers and on the internet. GIAM commenced sales efforts in the last quarter of 2004 and pays a royalty of ten percent of the net wholesale price on any sales that were made. The Agreement has a term of five years, commencing on September 25, 2003. Revenues to date have been nominal. There is no assurance that GIAM will be successful in selling videos and, accordingly, there is no assurance that we will realize any substantive revenues under the terms of the agreement.

We have also signed a Licensing Agreement with Madacy Entertainment for certain episodes of the Howdy Doody library. The Agreement grants a license to Madacy Entertainment for 25 episodes to be produced as a DVD box set. The Company will receive a royalty of fifteen percent of the net wholesale price on all sales. The term of the Agreement is for five years, commencing December 1, 2003. Revenues to date have been nominal. There is no assurance that Madacy Entertainment will be successful in selling videos and, accordingly, there is no assurance that we will realize any substantive revenues under the terms of the agreement

We are also contacting television and radio stations relative to airing the shows on a daily or weekly basis. If the shows are accepted, our compensation may be in the form of money or an exchange for advertising time. To date we have signed a contract with COX Broadcasting in Orange County California.

On December 11, 2004 the Company entered into an agreement with U Love Kids, Inc. to form a partnership, "Songs From The Neighborhood - A Tribute To Mr. Rogers". The partnership produced an original CD/DVD of songs written by Fred Rogers and performed by popular artists.

On September 23, 2005, the Company in a stock transaction purchased the 50% interest held by U Love Kids, Inc. The Company issued 212,121 restricted common shares at $0.33 per share and a three (3) year warrant to purchase 250,000 common shares at $1.50 per share with an expiration date of December 31, 2008.

The CD won the distinguished GRAMMY AWARD on February 8, 2006 as the best children's music album as well as a Dove award, the Creative Child Award - Creative Child magazine, Parents' Choice - Parent's Choice Foundation and the 2006 Notable Children's Recordings from the Association of Library Service To Children.

MARKETING AND DISTRIBUTION STRATEGIES

Our target markets for sales of our BSP Rewards program and the Brand-A-Port product include small, medium and large sized companies and organizations that will be able to utilize our product line. Our target market for reselling our products and services is to companies that already have an existing sales force or ability to act as a mass reseller for us. This potential market also includes membership clubs, non-profit organizations, alumni associations, retailers and corporations and their marketing alliance partners and home based business sellers, credit and debit card issuers and network marketing companies.

We market our products and services primarily through third party resellers who are paid on a commission basis. We have signed a number of marketing partner agreements which are non-exclusive and we anticipate that we will sign agreements with additional resellers 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 on BSP rewards earned by members that are signed into the program by the reseller. The Company also 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 portals or websites as a result of the activities of the marketing partner. In some instances, we also allow clients for whom we have built portals to act as resellers. Some of our existing reseller agreements are with IMC/Beryl's World, ADP and DBL Group, Spirit Incentives, Marketing Consultants Plus, and McAdams Marketing. As of the date of this report, the marketing agreements have not resulted in any significant revenues.

We anticipate that the merchants and member provider organizations that become involved with the BSP Rewards program will devote a portion of their advertising and marketing funds to the branded program which, in turn, will help to develop customer awareness of our products and services.

Part of our marketing strategy for the BSP Rewards mall and Brand-A-Port component of our business is to continue to maintain and operate various demonstration sites designed for specific industries. We do not currently 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 a Brand-A-Port portal.

Through Memory Lane Syndication, we market the Howdy Doody TV show videos, Songs From The Neighborhood CD/DVD and other media products we may acquire in the future through distributors and retailers and through direct response media. We seek to offer the Howdy Doody TV show videos to various TV and radio syndicators who, in turn, would market them to broadcasters to air to the general public.

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

Currently the main marketing efforts of the Company are directed towards the BSP Rewards program. It is our intention to market both our BSP Rewards program and Brand-A-Port product to larger companies when we have the capital available to do so. Major membership clubs, organizations and companies have the capability of ordering branded rewards mall programs in larger numbers and the capability of quickly expanding the BSP membership base to a much greater participating group, both of which would greatly enhance our potential revenue stream through the utilization of our internet mall. They also have the ability to market programs directly to their customers and members.

COMPETITION

Our competition includes web designers, major software manufacturers, established loyalty/rewards companies and existing web portals. Although we are not currently aware of any competitors that offer a brandable Rewards program which also includes all of the features such as our redemption and cross marketing applications, there are many companies which offer Loyalty and Rewards programs. We intend to compete on the basis of pricing and speed to market, ease of use and the number of features available in our proprietary BSP Rewards and Brand-A-Port applications.

WEB SITES

The following is a list of some of our proprietary websites:

- www.medianetgroup.com
- www.brandaport.com
- www.bsprewards.com
- www.shutterport.com
- www.songsfromtheneighborhood.com
- www.nationalvaluecardmall.com
- www.pixjury.com
- www.doodyville.com
- www.memorylanesyndication.com
- www.autoloyaltyrewards.com
- www.bigbrandmall.com

EMPLOYEES

Presently, we have 8 full time employees plus outside independent representatives. The Company has an employment agreement with Martin A. Berns, Chief Executive Officer and Director. The Company also has consulting arrangements with a director who performs marketing services for the Company and another director who performs sales services for the Company.

RISK FACTORS

WE HAVE A LIMITED OPERATING HISTORY. 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.

Up to December 31, 2002, the Company was a development stage entity. In 2003, the Company commenced operations, which have been limited to date. Therefore, there is no meaningful operating history on which to base an evaluation of our proposed business and prospects. 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.

RESALE OF OUR SECURITIES MAY BE DIFFICULT BECAUSE THERE IS A LIMITED MARKET FOR OUR SHARES.

Although our securities are traded on the OTCBB, there is only a limited active public market for our securities, and no assurance that an active public market will develop in the future. Even in the event that such an active public market does develop, there is no assurance that it will be maintained or that it will be sufficiently active or liquid to allow shareholders to easily dispose of their shares.

THE DEVELOPMENT OF OUR BUSINESS WILL BE LIMITED UNLESS WE OBTAIN SUBSTANTIAL WORKING CAPITAL. THIS MAY REDUCE OR LIMIT THE VALUE OF THE COMPANY AND THE POTENTIAL MARKET VALUE OF OUR OUTSTANDING SHARES.

We require substantial additional working capital to fund our business. Our current operations are not profitable and we do not presently have adequate cash or sources of financing to meet either our short-term or long-term capital needs. We have not currently identified any sources of available working capital, other than the possible receipt of up to $594,000 from the exercise of all outstanding warrants. We may be unable to locate other sources of capital or may find that capital is not available on terms which are acceptable to us. If the warrants are not exercised and we are not able to raise additional capital from other sources, we will either be unable to continue operations or we will be required to limit our operations to those which can be financed with the modest capital which is currently available, and we will be required to abandon or significantly curtail our expansion plans.

OUR SUCCESS IS DEPENDENT ON RETAINING KEY PERSONNEL AND ON HIRING AND RETAINING ADDITIONAL PERSONNEL. WE MAY BE UNABLE TO HIRE AND/OR RETAIN NECESSARY KEY PERSONNEL, WHICH WOULD ADVERSELY AFFECT THE DEVELOPMENT OF OUR BUSINESS AND THE POTENTIAL MARKET VALUE OF OUR OUTSTANDING SHARES.

Our success will be largely dependent upon the efforts of Mr. Martin Berns. Mr. Berns has an employment agreement with the Company through December 31, 2008 at an annual base salary of $52,000, plus normal fringe benefits.

Additionally Mr. Berns may receive from time to time, bonuses as determined by the Board of Directors.

The loss of the services of Mr. Berns would have a material adverse effect on our ability to maintain and expand our current business operations or to develop related products and services. We do not presently have "key man" life insurance with respect to our management. Our success is also dependent upon our ability to hire and retain additional qualified executives and creative marketing personnel. There can be no assurance that we will be able to hire or retain such necessary personnel and our inability to do so would have a material adverse impact on our ability to expand our current business operations and achieve profitability.

THE PORTIONS OF OUR BUSINESS WHICH ARE RELATED TO REWARD PROGRAMS, ON-LINE 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 on-line commerce market is new, 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 PORTION OF OUR BUSINESS RELATED TO MARKETING OF VIDEOS AND OFFERING PRODUCTS FOR TELEVISION SYNDICATION IS VERY COMPETITIVE. THERE IS NO ASSURANCE THAT WE WILL BE ABLE TO COMPETE SUCCESSFULLY IN THAT MARKET, WHICH WOULD ADVERSELY AFFECT OUR ABILITY TO ACHIEVE OR SUSTAIN PROFITABILITY.

There are many competitors in the business of marketing and sale of broadcast rights, videos and DVDs, many of which are better financed and in a better position to place or sell their intellectual properties. The Howdy Doody videos we own were produced in the 1970's and are targeted towards children and their parents and grandparents who buy videos for them. The Howdy Doody videos are in competition with both nostalgic and newly produced videos available from major studios and television stations that already have distribution channels. It is extremely difficult to obtain agreements for television and radio syndication and retail sales for these types of products due to the abundance of offerings from a variety of sources and the limited amount of television/radio time slots and retail shelf space available. We have signed two agreements granting rights to manufacture and distribute videos of a portion of our Howdy Doody library to retailers and on the Internet in return for payment of a royalty fee based upon sales. There is no assurance that this agreement, or any others we are able to sign, will result in any significant sales or revenues.

Test marketing of the Mr. Rogers CD/DVD commenced in the fourth quarter of 2005 with the distribution roll-out commencing in the first quarter of 2006. To date this product has limited sales; there is no assurance of revenues in the future.

THE INTERNET AND ON-LINE 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 ADOPT 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 on-line 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:

- license and/or internally develop leading technologies useful in our business;
- enhance our existing services;
- develop new services and technology that address the increasingly sophisticated and varied needs of our prospective customers; and
- 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.

IT MAY BE DIFFICULT FOR YOU TO SELL YOUR 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.

ITEM 2. DESCRIPTION OF PROPERTY.

As of December 31, 2006, the Company leases approximately 1760 sq. ft. of office space from an unaffiliated third party.

On February1, 2007, the Company expanded it leased premises to 2,784 sq. ft. and extended it lease for three years.

The term of the lease is as follows: $4,077.35 per month for the first twelve months, $4,202.77 per month for the following twelve months, and $4,335.57 per month for the last twelve months.

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 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 the security holders of the Company during the fourth quarter of the fiscal year which ended December 31, 2006.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Our common stock is traded on the over-the-counter Bulletin Board under the symbol "MEDG". As of March 12, 2007, the last sale of common stock, as quoted on the over-the-counter Bulletin Board, was $0.25. The following table sets forth the range of quarterly, high and low sale prices for our Common Stock.

	2006		2005	
QUARTER ENDED	LOW	HIGH	LOW	HIGH
March 31	$0.18	$0.52	$0.75	$1.43
June 30	0.40	0.55	0.39	0.82
September 30	0.20	0.40	0.22	0.81
December 31	0.30	0.45	0.21	0.40

As of December 31, 2006 a total of 11,611,021 shares outstanding. Such securities are currently held of record by a total of approximately 116 persons. We also currently have 495,000 shares which are subject to purchase under outstanding warrant agreements with various individuals.

No dividends have been declared or paid on the Company's securities within the past two fiscal years, and it is not anticipated that any dividends will be declared or paid in the foreseeable future.

RECENT SALES OF UNREGISTERED SECURITIES

The following table lists all of the securities that were sold by the Company during the fiscal year ended December 31, 2006. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificates issued.

NAME	DATE	SHARES	PURCHASE PRICE PER SHARE	AGGREGATE PURCHASE PRICE	
Norman Pessin	1/09/2006	500,000	$ 0.25	$125,000	(1)
Cameron Associates	3/06/2006	80,000	0.31	24,800	(2)
Norman Pessin	6/08/2006	527,500	0.40	211,000	(1)
Gregory Fortunoff	6/08/2006	97,500	0.40	39,000	(1)
Norman Pessin	9/29/2006	333,334	0.35	116,667	(1)
Michelle Cahr	9/29/2006	100,000	0.35	35,000	(1)
Cahr Dynamic Trust	9/29/2006	233,333	0.35	81,667	(1)
Cameron Associates	10/2/2006	100,000	0.30	30,000	(2)
Daryl Moccia	11/13/2006	100,000	0.35	35,000	(1)
Nancy Cohn	11/13/2006	100,000	0.35	35,000	(1)
Gregory Fortunoff	11/13/2006	133,333	0.35	46,666	(1)
Jeffrey Meshel	11/21/2006	25,000	0.38	9,500	(2)

(1) Shares issued for payment received for Private Placement
(2) Shares issued for consulting services.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

SELECTED TWO YEAR FINANCIAL DATA

	2006	2005
OPERATING DATA		
Net sales	$ 433,720	$ 176,722
Operating income (loss)	(1,120,401)	(1,072,743)
Net income (loss)	(1,120,217)	(1,072,743)
Depreciation and amortization	20,982	56,183
Capital expenditures	0	113,027
PER SHARE DATA		
Earnings:		
Basic & diluted	$ (0.11)	$ (0.13)
FINANCIAL POSITION		
Working Capital	$ 68,321	$ (118,023)
Property, plant & equipment, net	3,205	5,037
Total assets	342,653	730,063
Long term debt	0	0
Shareholder equity	175,283	468,046
CASH FLOW DATA		
Net cash flow from operations	$ (569,244)	$ (370,927)
Net cash flow from investing activities	0	(113,027)
Net cash flows from financing activities	712,000	479,382
YEAR END DATA		
Shares outstanding	11,611,021	9,281,021
Approximate number of shareholders	116	150

Certain statements in this report, including statements in the following discussion 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," "will," "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 the present and future operations of the Company, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. Numerous factors and future events could cause the Company to change such plans and objectives or fail to successfully implement such plans or achieve such objectives, or cause such present and future operations to fail to produce revenues, income or profits. Therefore, the reader is advised that the following discussion should be considered in light of the discussion of risks and other factors contained in this report on Form 10KSB and in the Company's other filings with the Securities and Exchange Commission. No statements contained in the following discussion should be construed as a guarantee or assurance of future performance or future results.

OVERVIEW

Clamshell Enterprises, Inc. was organized under the laws of the State of 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 May 22, 2003 we changed our name to MediaNet Group Technologies, Inc.

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.

All of our current operations are carried on through Brand-A-Port, Inc., BSP Rewards, Inc. and Memory Lane Syndication, Inc., our wholly owned

subsidiaries.

TRANSACTION PROCESSING

BSP Rewards receives rebates from participating merchants on all transactions processed by BSP through its on-line mall platform. The percentage rebate paid by merchants varies between 1 % and 30% and BSP normally shares 50% of the rebate with the member who made the purchase.

Since the launch of BSP Rewards in January of 2005, the company has continued to increase individual membership, the number of participating merchants in the network and the revenue and transactions generated through the platform. We increased the number of merchants in our web mall in the past year from 252 to 551. Many of them among the nation's best known retailers such as Macy's, Sears, Shell, Hyatt Hotels, Linens-N-Things and Lowe's. We have also launched our off-line program with Timberland and Budget Rent-A-Car as the initial in-store merchants.

We processed $5,115,491 of merchant transactions through our on-line web mall during the fiscal year ended December 31, 2006 compared to $474,460 for the fiscal year ended December 31, 2005. The merchant transactions processed through our on-line web mall produced $305,925 in gross revenue for the BSP Rewards segment of the Company during the fiscal year ended December 31, 2006 as compared to $1,782 for the fiscal year ended December 31, 2005. The number of active members processing transactions through the web mall increased 301% from 2005 and the number of active merchants increased 118.6% from 2005.

SEGMENT REPORTING

The Company has two reportable segments: (1) entertainment properties which includes audio and video products and (2) branded services which includes the branded websites and branded loyalty rewards programs, all of the products of which are sold in the United States. These operating segments were determined based on the nature of the products and services offered. The segments share a common workforce and office headquarters, which include an allocation of all overhead components. Overhead items that are specifically identifiable to a particular segment are applied to such a segment.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The Company's chief executive officer and chief financial officer have been identified as the chief decision makers. The Company's chief operation decision makers direct the allocation of resources to operating segments based on the profitability and cash flows of each respected segment.

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:

TWELVE MONTHS ENDED DECEMBER 31, 2006	BRANDED SERVICES	ENTERTAINMENT PROPERTIES	CORPORATE AND ELIM.	CONSOLIDATED TOTAL
Net Sales (2)	$ 377,431	$ 56,289	-	$ 433,720
Depreciation & Amortization (3) ...	2,232	18,750	-	20,982
Asset Impairment (4)	-	458,124	-	458,124
Segment (Loss) Income before taxes	(336,552)	(646,712)	(136,953)	(1,120,217)
Segment assets (1)	63,768	132,990	145,895	342,653
Expenditures for segment assets (3)	-	-	-	-

TWELVE MONTHS ENDED DECEMBER 31, 2005	BRANDED SERVICES	ENTERTAINMENT PROPERTIES	CORPORATE AND ELIM.	CONSOLIDATED TOTAL
Net Sales (2)	$ 55,243	$ 121,479	-	$ 176,722
Depreciation & Amortization (3) ...	35,002	21,181	-	56,183
Asset Impairment (4)	-	482,165	-	482,165

Segment (Loss) Income before taxes	(387,599)	(552,036)	(133,108)	(1,072,743)
Segment assets (1)	19,328	710,131	604	730,063
Expenditures for segment assets (3)	5,495	107,532	-	113,027

(1) Total Business assets are owned or allocated assets used by each business. Corporate assets consist of cash and cash equivalents, marketable securities and certain other assets.

(2) Branded Services two year comparative segment revenue follows;

(a) Gift Cards generated $271,777 in revenue for the fiscal year ending December 31, 2006, as compared to $724 for the fiscal year ended December 31, 2005.

(b) BSP Reward program generated $34,148 in revenue for the fiscal year ended December 31, 2006, as compared to $1,058 for the fiscal year ended December 31, 2005.

(c) Design and Hosting generated $67,573 in revenue for the fiscal year ended December 31, 2006, as compared to $49,544 for the fiscal year ended December 31, 2005.

(d) Other items generated $3,933 in revenue for the fiscal year ended December 31, 2006, as compared to $3,917 for the fiscal year ended December 31, 2005.

(3) Corporate property additions, depreciation and amortization expense include items attributable to the unallocated fixed assets of support divisions and common facilities.

(4) Asset impairment attributable to our strategic review of assets, comparing undiscounted cash flows against carrying values.

MAJOR CUSTOMERS

During the fiscal year ended December 31, 2006, the Entertainment Properties segment had sales to four customers, which represent approximately 31% of revenues. During the fiscal year ended December 31, 2006 the Branded Services segment had two customers which represents approximately 16% of revenues.

RESULTS OF OPERATIONS

Fiscal Year Ended December 31, 2006 as compared to Fiscal Year Ended December 31, 2005

For the fiscal year ended December 31, 2006, we had revenues from operations of $433,720, and a net loss of $1,120,217. For the fiscal year ended December 31, 2005, we had revenues from operations of $176,722, and a net loss of $1,072,743.

Branded Services net sales increased $322,188 or 583.2 % to $377,431 compared to $55,243 for the fiscal year ended December 31, 2005.The increase is attributable to increased individual memberships, and an increase of merchants participating in our web mall from 252 in fiscal year 2005 to 551 in fiscal year 2006.

Entertainment Properties net sales decreased $65,190 or 53.7 % to $56,289 compared to $121,479 for the fiscal year ended December 31, 2005. This decrease is attributable to the reduction of in store advertising.

Operating expenses for the fiscal year ended December 31, 2006, were $1,086,148, compared to $1,031,872 for the fiscal year ended December 31, 2005, an increase of $54,276.

Included in operating expenses for the fiscal year ended December 31, 2006 is an Impairment loss of $290,530 against our Film Library and $167,594 against our Record Master. In fiscal year ended December 31, 2005 we recorded Impairment against our Film Library of $482,165. While conducting its annual review and testing of company assets the Company determined there was a loss in

carrying value of its Film Library and Record Master. The Company utilized a discounted cash flow as the basis of its test.

Excluding the impairments noted above operating expenses were $628,024 for the fiscal year ended December 31, 2006 and $549,707 for fiscal year December 31, 2005 an increase of $78,317.Consulting fees decreased $62,201; Professional fees decreased $26,170; Travel expenses decreased $17,933. Insurance expense increased $14,675; Payroll expense and related fringe benefits increased $94,240 due to the hiring of key management staff (previously retained as consultants); Corporate costs increased $7,875; Marketing expense increased $39,975; Commission expense increased $19,636 and Advertising expense increased $8,450.

LIQUIDITY AND CAPITAL RESOURCES

Deferred revenue results from customers who pay for services in advance, such as quarterly, or annually. The Company records the initial payment in deferred revenue and then recognizes in each subsequent month that proportion which is provided in services. As of December 31, 2006, deferred revenue amounted to $31,602 compared to $26,174 at December 31, 2005.

As of December 31, 2006, we had cash on hand of approximately $153,346. During the fiscal year ended December 31, 2006, net cash used in operations was $569,244, and during the fiscal year ended December 31, 2005, net cash used in operations was $370,927. However, our operations are not yet profitable, and we continue to require additional funding in order to continue business operations.

To date, we have funded our cash shortage and obtained the cash necessary to continue operations primarily through debt and equity transactions with management and through equity private placements.

Without receiving any additional capital investment management believes we can continue current business operations, and continue the current gradual expansion of our operations for the next twelve months, because the web sites, portals and marketing materials for our various divisions are completed and ready for use. However, until operating revenues increase significantly, we will continue to seek outside funding for the purpose of accelerating the expansion of our operations.

PLAN OF OPERATIONS

Our plan of operations is to primarily develop our BSP Rewards business. The timing and the extent to which we are able to implement our expansion plan will primarily be dependent upon our ability to obtain outside working capital. Although management believes we have established a base through which we can continue to grow even without obtaining outside working capital, receipt of such capital would allow us to enhance our existing applications and commence a speedier and more complete marketing program.

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 On-Line merchants network. (2) The participating Gift Card merchants. (3) Initiating a participating In-Store merchant network. (4) Layering the BSP platform onto credit, debit and prepaid cards. (5) Increasing the member base. (6) Increasing transactions and fees.

The Company has signed Marketing Partner and/or Member Provider Agreements with various individuals or companies to sell for the Company on a straight commission basis. Additionally the Company has signed their initial Private Branded Merchant Agreements with web-based retailers who will give and redeem BSP Rewards and place their customers into the program as members. The Company believes it will begin to receive limited revenues from these sales during the 1st quarter of 2007.

The Company commenced market testing of the Mr. Rogers CD/DVD in the fourth quarter, 2005. We are presently offering it for sale on a direct basis and through various wholesale and retail distributors and both on-line and brick and mortar stores. There is no assurance that we will realize any significant sales or revenues in the future.

We will seek to gradually expand our operations in all areas during the next 12 months by establishing a base of marketing partners that will allow us to expand our marketing efforts for the BSP Rewards program, with no increased overhead. We also intend to direct significant effort toward marketing the Howdy Doody episode library and the Mister Rogers CD/DVD. Management believes these two operations currently have the greatest potential for growth and production of revenue.

We are aware that business trends relative to the internet are constantly changing. We are also aware that the U.S. economy is currently in a state of uncertain growth. 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 on our net sales or revenues or income from operations.

SUBSEQUENT EVENTS

On January 23, 2007 the company issued 40,000 shares of restricted common stock to Joseph Porrello. Mr. Porrello (a Director) exercised his stock option to purchase 40,000 shares valued at $0.26 per share. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificate issued.

On January 23, 2007, the Board of Directors elected Robert F. Hussey to serve on its Board of Directors, Mr. Hussey accepted the position.

On January 23, 2007 the Company issued 25,000 shares of restricted common stock to Robert Hussey for consulting services valued at $0.40 per share. The $0.40 per share price is consistent with the market price of the Company's stock as quoted on the OTC Bulletin Board on January 23, 2007. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificate issued.

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 on January 23, 2007.

On February 1, 2007, Mr. Joseph Porrello resigned from his position as Director of the Company. There were no disagreements by the Company or Mr. Porrello relating to the resignation.

On February 1, 2007, Mr. Ivan Bial resigned from his position as Director of the Company. There were no disagreements by the Company or Mr. Porrello relating to the resignation.

On February 2, 2007, the Company consummated the private sale of 285,715 shares to one (1) accredited investor, at a price of $0.35 per share. The total offering price was $100,000. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificate issued.

On March 12, 2007, we signed a Digital Distribution Agreement with Digital Music Group, Inc. The Agreement is relative to our Howdy Doody library and our Songs from the Neighborhood "The Music of MISTER ROGERS" audio and covers electronic and digital transmission. The Company will receive a royalty on net receipts of all sales. The term of the Agreement is seven years, commencing March 16, 2007.

ITEM 7. FINANCIAL STATEMENTS.

See Financial Statements commencing on page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On or about January 1, 2006, Child, Sullivan & Company, the principal accountant for MediaNet Group Technologies, Inc. (the "Company") changed its accounting practice from a corporation to a professional limited liability company named Child, Van Wagoner & Bradshaw, PLLC. As this is viewed as a separate legal entity, the Company terminated its accounting arrangement with Child, Sullivan & Company as principal accountant and engaged Child, Van Wagoner & Bradshaw, PLLC, as the Company's principal accountants for the Company's fiscal year ending December 31, 2005 and the interim periods for 2005 and 2006. The decision to change principal accountants was approved by the Audit Committee of the Company's Board of Directors and subsequently approved by the Board of Directors.

None of the reports of Child, Sullivan & Company, on the Company's financial statements for either of the past two years or subsequent interim period contained an adverse opinion or disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope or accounting principles, except that the report for the fiscal year ended December 31, 2004 did contain a going concern paragraph.

There were no disagreements between the Company and Child, Sullivan & Company, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Child, Sullivan & Company, would have caused them to make reference to the subject matter of the disagreement in connection with its report. Further, Child, Sullivan & Company has not advised the Registrant that:

1) internal controls necessary to develop reliable financial statements did not exist; or

2) information has come to the attention of Child, Sullivan & Company which made it unwilling to rely upon management's representations, or made it unwilling to be associated with the financial statements prepared by management; or

3) the scope of the audit should be expanded significantly, or information has come to the attention of Child, Sullivan & Company that they have concluded will, or if further investigated might, materially impact the fairness or reliability of a previously issued audit report or the underlying financial statements, or the financial statements issued or to be issued covering the fiscal year ended December 31, 2005.

On or about January 2, 2006 the Registrant engaged Child, Van Wagoner & Bradshaw, PLLC as its principal accountant to audit the Registrant's financial statements as successor to Child, Sullivan & Company. During the Registrant's two most recent fiscal years or subsequent interim period, the Registrant has not consulted with the entity of Child, Van Wagoner & Bradshaw, PLLC regarding the application of accounting principles to a specific transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Registrant's financial statements, nor did the entity of Child, Van Wagoner & Bradshaw, PLLC provide advice to the Registrant, either written or oral, that was an important factor considered by the Registrant in reaching a decision as to the accounting, auditing or financial reporting issue.

Further, during the Registrant's two most recent fiscal years or subsequent interim period, the Registrant has not consulted the entity of Child, Van Wagoner & Bradshaw, PLLC on any matter that was the subject of a disagreement or a reportable event.

ITEM 8A. CONTROLS AND PROCEDURES.

The Securities and Exchange Commission defines the term disclosure controls and procedures to mean a company's controls and other procedures 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 Commissions rules and forms. 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.

The Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Securities Exchange Act Rule 13a-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of December 31, 2006, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports the company files or submits under the Securities Exchange Act of 1934 is (1) accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures and (2) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. There have been no changes in the Company's internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, such internal controls.

ITEM 8B. OTHER INFORMATION.

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

The names, ages and titles of our Executive Officers and Directors as of December 31, 2006 are as follows:

NAME	AGE	POSITION	COMMITTEE
Martin A. Berns (1)	70	Chairman of the Board of Director & CEO	
Eugene H. Berns (1)	70	Director	(5)
Ivan L. Bial (3)	62	Director, Vice President, Secretary	
James M. Dyas	57	Director, Chief Financial Officer, Treasurer	
Joseph Porrello (2)	62	Director	
Thomas C. Hill	48	Director, Director of Operations	(5)
Lawrence Lipman	49	Director, Director of Business Development	
Jeffrey Meshel	50	Director	
Robert Hussey (4)	58	Director	(5)(**)

1- Martin A. Berns and Eugene H. Berns are brothers.

2- Mr. Porrello resigned from the board effective February 1, 2007

3- Mr. Bial resigned from the board effective February 1, 2007. He remains as Vice President & Secretary.

4- Mr. Hussey was elected to the board on January 23, 2007.

5- Audit Committee.

** Indicates Chairman of the Committee

The directors named above will serve until the next annual meeting of the Company's stockholders, or until their successors have been appointed. The directors are elected for one-year terms at the annual stockholders' meeting.

The directors and officers named above, other than Mr. Berns, Mr. Bial and Mr. Dyas who spend substantially all their time on the affairs of the Company, will generally devote their time to the Company's affairs on an "as needed" basis, which, depending on the circumstances, could amount to as little as two hours per month, or more than forty hours per month, but more than likely will fall within the range of five to ten hours per month.

Officers generally hold their positions at the pleasure of the board of directors, absent any employment agreement.

BIOGRAPHICAL INFORMATION

MARTIN A. BERNS has been the President, Chief Executive Officer and Director of the Company since January 2003 and a co-founder of our wholly owned operating subsidiary Brand-A-Port, Inc. He has been a Director, President and Chief Executive Officer of that company since its organization in April 2000. 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 was Vice President of marketing for Realm Productions, a publicly held video production company and acted as coordinating producer for the re-syndication and distribution of the 1970's new "Howdy Doody" show. 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.

EUGENE H. BERNS has served as Chairman of the Board of the Company since January 2003. He is a co-founder of our wholly owned operating subsidiary, Brand-A-Port, Inc. Mr. Berns serves as President of Housing Marketing Team, a marketing consultation company whose services include local and national housing industry market 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.

IVAN L. BIAL has been the Vice President and Secretary of the Company since January 2003. Mr. Bial is a co-founder of our wholly owned operating subsidiary Brand-A-Port, Inc., and has been Vice President, Sales of that company since its organization in April 2000. Prior thereto, he served as Vice President and General Manager of Southern Photo Service of Hollywood, Florida, the oldest independent color photo-finishing lab in the United States. He served as a consultant to Blockbuster Entertainment for their multi-store test of one-hour photo labs. Mr. Bial has additional experience as a National Sales Manager in the telecommunications, software and publishing industry, and is a member of the Society of Photo Finishing Engineers. Mr. Bial resigned from the board of directors effective February 1, 2007.

JAMES M. DYAS was appointed a director and Chief Financial Officer of the Company in September 2004. From 1992 to 2004, Mr. Dyas served as Chief Financial Officer of the National Alliance for Excellence, Inc., a national educational non-profit organization which he co-founded. From 1990 to 1992, Mr. Dyas was Controller for Seal-O-Matic Corporation. Prior to 1990, Mr. Dyas held management positions with Fashion Rite Corporation (a London Fog licensee) and International Paint Co., Inc. Mr. Dyas has served in the position of financial consultant, Chief Financial Officer and Controller for national and international companies for over twenty-five (25) years. He holds a B.S degree in accounting from St. Peter's College. Mr. Dyas is a member of Financial Executives International.

JEFFREY W. MESHEL was appointed a director of the Company on November 21, 2006. Since 1989 Mr. Jeffrey W. Meshel is president and co-founder of Mercury Capital Corporation, Mercury Properties and Mercury Equity Group. Mr. Meshel has over twenty years experience in the acquisition, management and lending on residential and commercial real estate. Mercury Capital Corporation is prominent in the real estate industry as a resource for bridge loans and mezzanine debt nationwide. Mercury Properties is a fully integrated real estate holding company that owns, operates and manages its own portfolio, which

consists of office, industrial, retail and residential property. Mercury Equity Group is a boutique NASD Broker/Dealer that specializes in private placements. M.E.G. provides bridge loans and funds private investments in public entities.

Mr. Meshel is the Founder and Chairman of the Strategic Forum and author of "One Phone Call Away" (currently being published by Penguin/Portfolio). Mr. Meshel currently serves on the board of Signature Bank, Mercury Capital and advisory board of Broadband Capital. Mr. Meshel is the Founder and Chairman of Paradigm V. Paradigm V is the first web based people resource engine where its members define themselves to become a magnet for opportunity.

LAWRENCE LIPMAN was appointed a director of the Company on February 16, 2005. Since August 2004, he has been President of DBL Group, Inc., which provides consulting services to the Company. From 1997 to July 2004, Mr. Lipman was the Vice President - Sales of Koala Corp, the manufacturer of the Koala Bear Baby changing stations, playground equipment and other business to consumer products such as water parks and safety surfacing. Mr. Lipman has over twenty-four (24) years of successful experience working with executives in a variety of industries that relate directly to the objectives of BSP Rewards. He has acted in a variety of businesses as Director of Business Development, Chief Marketing Officer, Vice President of Sales and Marketing and owned a corporation for eight (8) years that sold a variety of products to many retail industries. Mr. Lipman's expertise is being utilized to assist the Company in bringing to BSP Rewards specific targeted industries. He is directly responsible for identifying and establishing relationships with potential strategic marketing partners and major prospective clients. Mr. Lipman worked in the loyalty rewards industry during the late 1990's.

THOMAS C. HILL was appointed 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. Mr. Hill also served as the Marketing Director for The Miami Herald, one of Knight-Ridder's leading newspapers.

ROBERT F. HUSSEY was appointed 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., Digital Lightwave, Inc. Mr. Hussey also serves on the board of HC Wainright & Co., DIRT Motorsports, 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.

AUDIT COMMITTEE

We have an Audit Committee, which consist of Robert Hussey, Eugene Berns, and Thomas Hill. The board has designated Robert Hussey as the "audit committee" financial expert," as defined by Item 401(e) of Regulation S-K of the Securities Act of 1934 and serves as its chairperson. The board determined that Robert Hussey, Eugene Berns and Thomas Hill are "independent directors".

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The Company's officers, directors and principal shareholders have not been delinquent in filing reports required under Section 16(a) of the Exchange Act.

CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics which applies to its executive officers. A copy of the Code of Business Conduct and Ethics is incorporated by reference as Exhibit 14 to this report.

ITEM 10. EXECUTIVE COMPENSATION.

The following table provides summary information concerning cash and

compensation awarded to, earned by, or paid to our Chief Executive Officer for the years indicated below.

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	LONG TERM COMPENSATION AWARDS RESTRICTED STOCK AWARDS ($)	SECURITIES UNDERLYING OPTIONS (#)
Martin Berns, CEO	2006	52,000 (1)	0	0	0	0
	2005	52,500 (1)	0	0	0	0
	2004	40,000 (1)	0	0	0	0

(1) Mr. Berns has an employment contract with the Company, commencing January 1, 2005 through December 31, 2008 at an annual salary of $52,000 per year, plus normal fringe benefits.

CONSULTING ARRANGEMENTS

Mr. Lipman has a consulting arrangement with the Company pursuant to which he provides professional services on a month-to-month basis.

Mr. Hill has a consulting arrangement with the Company pursuant to which he provides professional services on a month-to-month basis.

On December 6, 2006, Mr. Lipman was granted a five (5) year option to purchase 25,000 common shares under the Company's Incentive and Non-Statutory Stock Option Plan. The exercise price of $0.18 per share represents 50% of the closing price per share of the Company's common stock on the date of grant. Options for 8,333 shares vested in 2006.

On December 6, 2006, Mr. Meshel was granted a five (5) year option to purchase 75,000 common shares under the Company's Incentive and Non-Statutory Stock Option Plan. The exercise price of $0.18 per share represents 50% of the closing price per share of the Company's common stock on the date of grant. Options for 25,000 shares vested in 2006.

STOCK OPTIONS

The Company has a stock option plan for key personnel covering 350,000 shares of common stock. The fair-value of the Company's stock based awards granted to employees, non-employee directors and consultants for the years ended December 31, 2006 and 2005 was estimated using the Black-Scholes option-pricing model.

STOCK OPTION GRANTS IN 2006 TO NAMED EXECUTIVE OFFICERS

There were no new stock options granted to named officers in 2006 and there were no options exercised.

COMPENSATION TO THE COMPANY'S DIRECTORS

Starting in 2006, each new director receives 25,000 restricted shares of our common stock upon joining the board. They also receive 75,000 options to acquire common stock at an exercise price 50% of the fair market value per share of common stock on the date the option is granted. We also pay ordinary and necessary out-of-pocket expenses for directors to attend board and committee meetings.

NAM E	FEES EARNED OR PAID IN CASH ($)	STOCK AWARDS ($)	OPTION AWARDS ($)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)	CHANGE IN PENSION VALUE AND NONQUALIFIED DEFERRED COMPENSATION EARNINGS ($)	ALL OTHER COMPENSATION ($)	TOTAL ($)

Lawrence Lipman	-	$ -	$8,166 (1)	$-	$-	$-	$ 8,166
Joseph Porrello	-	-	10,048 (2)	-	-	-	10,048
Thomas Hill	-	-	8,166 (3)	-	-	-	8,166
James Dyas	-	-	2,512 (4)	-	-	-	2,512
Jeffrey Meshel	-	9,500	6,750 (5)	-	-	-	16,250

1- Includes 25,000 stock options that were granted 25,000 on January 21, 2005 at $0.45 per share of which 8,333 options vest on January 21, 2005, 8,333 options vest on January 21, 2006 and 8,334 options vest on January 21, 2007. Also included are 25,000 stock options that were granted on December 6, 2006 at $0.18 per share of which 8,333 options vest on December 6, 2006, 8,333 options vest on December 6, 2007 and 8,334 options vest on December 6, 2008.

2- Includes 60,000 stock options that were granted on October 29, 2004 at $0.26 per share of which 20,000 options vested on October 29, 2004, 20,000 options vested on October 29, 2005 and 20,000 options vested on October 29, 2006.

3- Includes 25,000 stock options that were granted 25,000 on January 21, 2005 at $0.45 per share of which 8,333 options vest on January 21, 2005, 8,333 options vest on January 21, 2006 and 8,334 options vest on January 21, 2007. Also included are 25,000 stock options that were granted on August 1, 2005 at $0.19 per share of which 8,333 options vest on August 1, 2005, 8,333 options vest on August 1, 2006 and 8,334 options vest on August 1, 2007.

4- Includes 15,000 stock options that were granted on October 29, 2004 at $0.26 per share of which 5,000 options vested on October 29, 2004, 5,000 options vested on October 29, 2005 and 5,000 options vested on October 29, 2006.

5- Includes 25,000 stock options that were granted on December 6, 2006 at $0.18 per share of which 8,333 options vest on December 6, 2006, 8,333 options vest on December 6, 2007 and 8,334 options vest on December 6, 2008.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth, as of March 12, 2006, the number of shares of Common Stock owned of record and beneficially by executive officers, directors and persons who hold 5.0% or more of the outstanding Common Stock of the Company. Also included are the shares held by all executive officers and directors as a group.

NAME AND ADDRESS	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENT OF CLASS
Martin A. Berns (1) 5100 W. Copans Road, Suite 710 Margate, Florida 33063	2,645,001	22.1%
Eugene H. Berns (1) 5100 W. Copans Road, Suite 710 Margate, Florida 33063	490,000	4.1%
Ivan L. Bial (1) 5100 W. Copans Road, Suite 710 Margate, Florida 33063	510,000	4.3%
Jeffrey Meshel (4) 380 Lexington Ave, Ste 2020 New York, NY 10168	130,000	1.1%
James Dyas (1)(3) 5100 W. Copans Road, Suite 710 Margate, Florida 33063	20,000	0.2%
Lawrence Lipman (1) (2) 4950 South Yosemite Greenwood Village, CO 80111	70,000	0.6%
Thomas C. Hill (1) (2)		

10258 Vestral Manor Coral Springs, FL 33071	85,833	0.7%
Robert Hussey (5) 16 Westbury rd Garden City, NY 11530	100,000	0.8%
Norman H. Pessin 605 Third Ave- 19th Floor New York, NY 10158	2,087,834	17.5%
Sandra F. Pessin (5) 605 Third Ave 19th Floor New York, NY 10158	603,250	5.0%
Gregory Fortunoff (6) 666 Third Ave New York, NY 10017	649,333	5.3%
All officers and directors (8 persons)	3,960,834	33.1%

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

(2) Includes 50,000 options to purchase common stock of the Company

(3) Includes 15,000 options to purchase common stock of the Company.

(4) Includes 75,000 options to purchase common stock of the Company.

(5) Includes 100,000 shares underlying three year warrants exercisable @ 1.00 per share.

(6) Includes 25,000 shares underlying three year warrants exercisable @ 1.00 per share.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

During the fiscal year ended December 31, 2005 Mr. Berns had loaned to the Company a total of $75,527 and deferred $36,500 in salary. Upon mutual agreement with the Company, Mr. Berns was given the opportunity to convert his loans and deferred salary into shares of the Company's common stock at market value (bid price) at the time of conversion. The conversions were as follows:

(1) January 14, 2005 converted $22,027 loan and $10,000 deferred salary@ $0.95 per share.

(2) March 22, 2005 converted $20,000 deferred salary @ $0.96 per share.

(3) October 21, 2005 converted $32,000 loan @ $0.22 per share.

(4) December 28, 2005 converted $21,500 and $6,500 deferred salary @ $0.30 per share.

There were no loans or deferred salary during the fiscal year ended December 31, 2006.

ITEM 13. EXHIBITS.

(a) The Exhibits listed below are filed as part of this Annual Report.

3.1 Articles of Incorporation (incorporated by reference from Registration Statement on Form 10-SB filed with the Securities and Exchange Commission on June 14, 2002).

3.2 Bylaws (incorporated by reference from Registration Statement on Form 10-SB filed with the Securities and Exchange Commission on June 14, 2002).

14 Code of Ethics (incorporated by reference from Form 10-KSB for

the year ended 12/31/03 filed with the Securities and Exchange Commission on March 29, 2004).

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.

(b) Reports on Form 8-K

On January 23, 2007, The Company filed a Form 8-K dated January 23, 2007 reporting under ITEM 5.02 DEPARTURE OF PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS, stating that Mr. Robert Hussey has been elected to serve on its Board of Director.

On January 23, 2007, The Company filed a Form 8-K dated January 23, 2007 reporting under ITEM 5.02 DEPARTURE OF PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS, Mr. Joseph M. Porrello resigned from his position of Director of the Company effective February 1, 2007. There were no disagreements by the Company or Mr. Porrello relating to the resignation.

On January 23, 2007, The Company filed a Form 8-K dated January 23, 2007 reporting under ITEM 5.02 DEPARTURE OF PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS, Mr. Ivan Bial resigned from his position of Director of the Company effective February 1, 2007. There were no disagreements by the Company or Mr. Bial relating to the resignation.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Audit Fees

The aggregate fees billed by Child, Sullivan & Company for audit of the Company's annual financial statements for the fiscal year ended December 31, 2005, were$16,000. The aggregate fees billed by Child, Sullivan & Company for review of the Company's financial statements included in its quarterly reports on Form 10-QSB for the year ended December 31, 2005, were $4,500.

The aggregate fees billed by Child, Van Wagoner & Bradshaw, PLLC for audit of the Company's annual financial statements for the fiscal year ended December 31, 2006, were$19,000. The aggregate fees billed by Child, Sullivan & Company for review of the Company's financial statements included in its quarterly reports on Form 10-QSB for the year ended December 31, 2006, were $4,500.

Audit-Related Fees

Child, Van Wagoner & Bradshaw, PLLC billed the Company $0 for the fiscal year ending December 31, 2006 for assurance and related services that were related to its audit or review of the Company's financial statements.

Tax Fees

The aggregate fees billed by Child, Van Wagoner & Bradshaw, PLLC for tax compliance, advice and planning were $0 for the fiscal year ended December 31, 2006.

All Other Fees

Child, Van Wagoner & Bradshaw, PLLC did not bill the Company for any

products and services other than the foregoing during the fiscal year ended December 31, 2005 and December 31, 2006.

MediaNet Group Technologies, Inc.'s Audit Committee approves the engagement of an accountant to render all audit and non-audit services prior to the engagement of the accountant based upon a proposal by the accountant of estimated fees and scope of the engagement. MediaNet Group Technologies, Inc.'s Audit Committee has received the written disclosure and the letter from Child, Van Wagoner & Bradshaw, PLLC required by Independence Standards Board Standard No. 1, as currently in effect, and has discussed with Child, Van Wagoner & Bradshaw, PLLC their independence.

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.

	By: /s/ Martin A. Berns
Date: March 31, 2007	Martin Berns, President and Chief Executive Officer
	By: /s/ James M. Dyas
Date: March 31, 2007	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.

	By: /s/ Martin A. Berns
Date: March 31, 2007	Martin A. Berns
	By: /s/ Eugene H. Berns
Date: March 31, 2007	Eugene H. Berns
	By: /s/ James M. Dyas
Date: March 31, 2007	James M. Dyas
	By: /s/ Jeffrey W. Meshel
Date: March 31, 2007	Jeffrey W. Meshel
	By: /s/ Robert F. Hussey
Date: March 31, 2007	Robert F. Hussey
	By: /s/ Lawrence Lipman
Date: March 31, 2007	Lawrence Lipman
	By: /s/ Thomas C. Hill
Date: March 31, 2007	Thomas C. Hill

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Audit Committee
MEDIANET GROUP TECHNOLOGIES, INC.
Margate, Florida

We have audited the consolidated balance sheet of MEDIANET GROUP TECHNOLOGIES, INC. (the Company) as of December 31, 2006, and the related consolidated

statements of operations, stockholders' deficit and cash flows for the years ended December 31, 2006 and 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MEDIANET GROUP TECHNOLOGIES, INC. as of December 31, 2006, and the results of its consolidated operations and its consolidated cash flows for the years ended December 31, 2006 and 2005, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred substantial recurring losses. This raises substantial doubt about the Company's ability to meet its obligations and to continue as a going concern. Management's plans in regard to this matter are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Child, Van Wagoner & Bradshaw, PLLC

Child, Van Wagoner & Bradshaw, PLLC
Salt Lake City, Utah
March 27, 2007

MEDIANET GROUP TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEET

	December 31, 2006
ASSETS	
Current assets	
Cash and cash equivalents	$ 153,346
Accounts receivable	14,512
Inventory	43,681
Prepaid expense	24,152
Total current assets	235,691
Property, plant & equipment	
Computer equipment	22,758
Accumulated depreciation	(19,553)
Net property, plant and equipment	3,205
Other assets	
Trademark	2,400
Film library	79,664
Record master	21,693
Total other assets	103,757

Total assets	$ 342,653

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	
Accounts payable and accrued liabilities	$ 135,768
Deferrred revenue	31,602
Total current liabilities	167,370
Stockholders' equity	
Common stock: par value $.001; 50,000,000 shares authorized; 11,611,021 shares issued and outstanding	11,611
Additional paid in capital	4,347,731
Accumulated deficit	(4,184,059)
Total stockholders' equity	175,283
Total liabilities and stockholders' equity	$ 342,653

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

MEDIANET GROUP TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,	
	2006	2005
Revenues		
Sales revenues	$ 433,720	$ 176,722
Cost of sales	467,973	217,593
Gross profit	(34,253)	(40,871)
Operating expenses		
Consulting fees	165,656	245,937
Other selling and administrative expenses	462,368	303,770
Impairment loss	458,124	482,165
Total operating expenses	1,086,148	1,031,872
Loss from operations	(1,120,401)	(1,072,743)
Other income (expense)		
Interest income	$ 184	-
Total other income (expense)	184	-
Net loss before income taxes	(1,120,217)	(1,072,743)
Provision for income taxes	-	-
Net loss	$ (1,120,217)	$(1,072,743)
Basic and diluted net loss per share	$ (0.11)	$ (0.13)
Weighted average number of shares outstanding	10,428,281	8,417,211

The accompanying notes are an integral part

of the consolidated financial statements

MEDIANET GROUP TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2006	2005
Cash flows from operating activities:		
Net loss	$(1,120,217)	$(1,072,743)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	20,982	56,183
Allowance for bad debt	(3,500)	3,500
Stock and warrants issued for services	64,300	122,330
Stock options issued for services	38,154	42,112
Impairment loss on film library & record master	458,124	482,165
Changes in operating liabilities and assets:		
Accounts receivable	87,265	(100,926)
Inventory	(10,822)	(32,858)
Prepaid expense	(21,883)	(1,501)
Accounts payable and accrued liabilities	(87,075)	104,637
Deferred revenue	5,428	26,174
Net cash used in operations	(569,244)	(370,927)
Cash flows from investing activities:		
Purchase of fixed assets	-	(5,495)
Investment in sound library	-	(107,532)
Net cash used in investing activities	-	(113,027)
Cash flows from financing activities:		
Stock issued for cash	725,000	397,982
Net proceeds from due to stockholders	(13,000)	81,400
Net cash provided by financing activities	712,000	479,382
Increase (decrease) in cash and cash equivalents	142,756	(4,572)
Cash and cash equivalents, beginning of period	10,590	15,162
Cash and cash equivalents, end of period	$ 153,346	$ 10,590
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Non-cash financing transactions		
Stock issued for payment of expenses by shareholder	$ -	$ 121,027
Stock issued for acquisition of sound library	$ -	$ 100,000
Stock options issued for services	$ 38,154	$ 42,112
Stock issued for services	$ 64,300	$ 143,620

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

MEDIANET GROUP TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	Common Shares	Common Stock	Paid in Capital	Paid in Capital Stock Options	Accumulated Deficit	Total Equity
Balance January 1, 2005	7,772,566	$ 7,773	$ 2,725,592	$15,072	$(1,991,099)	$ 757,338
Stock issued in payment of expenses 1/14 @ $.95	33,713	33	31,994	-	-	32,027
Stock issued for cash 1/18 @ $1.00	8,000	8	7,992	-	-	8,000
Stock options issued for services 1/18	-	-	-	11,883	-	11,883
Stock issued in payment of expenses 3/22 @ $.96	20,833	21	19,979	-	-	20,000
Stock issued for cash 3/28 @ $1.00	50,000	50	49,950	-	-	50,000
Stock issued for services 3/31 @ $.90	15,000	15	13,485	-	-	13,500
Stock issued for services 4/1 @ $.90	15,000	15	13,485	-	-	13,500
Stock issued for services 5/2 @ $.68	11,000	11	7,469	-	-	7,480
Stock issued for cash 5/19 @ $.25	10,000	10	2,490	-	-	2,500
Stock issued for services 6/1 @ $.60	13,000	13	7,787	-	-	7,800
Stock issued for services 6/16 @ $.55	66,000	66	36,234	-	-	36,300
Warrants issued for services 6/16	-	-	19,320	-	-	19,320
Stock issued for cash 6/23 $.55	700,000	700	384,300	-	-	385,000
Offering costs of issuance 6/23	-	-	(47,518)	-	-	(47,518)
Stock issued for services 7/1 @ $.39	13,000	13	5,057	-	-	5,070
Stock issued for services 8/1 @ $.40	13,000	13	5,187	-	-	5,200
Stock options issued for services 8/2	-	-	-	2,250	-	2,250
Stock issued for sound library 9/23 @ $.33	212,121	212	69,788	-	-	70,000
Warrants issued for sound library 9/23	-	-	30,000	-	-	30,000
Stock issued in payment of expenses 10/21 @ $.22	145,455	146	31,854	-	-	32,000
Stock issued in payment of expenses 12/28 @ $.30	123,333	123	36,877	-	-	37,000
Stock issued for services 12/30 @ $.24	59,000	59	14,101	-	-	14,160
Stock based compensation recognized for the year	-	-	-	27,979	-	27,979
Net loss for the year	-	-	-	-	(1,072,743)	(1,072,743)
Balance December 31, 2005	9,281,021	9,281	3,465,423	57,184	(3,063,842)	468,046
Stock issued for cash 1/9 @ $.25	500,000	500	124,500	-	-	125,000
Stock issued for services 3/6 @ $.31	80,000	80	24,720	-	-	24,800
Stock issued for cash 6/8 @ $.40	625,000	625	249,375	-	-	250,000
Stock issued for cash 9/29 @ $.35	666,667	667	232,667	-	-	233,334
Stock issued for services 10/2 @ $.30	100,000	100	29,900	-	-	30,000
Stock issued for cash 11/13 @ $.35	333,333	333	116,333	-	-	116,666
Stock issued for services 11/21 @ $.38	25,000	25	9,475	-	-	9,500
Stock based compensation recognized for the year	-	-	-	38,154	-	38,154
Net loss for the year	-	-	-	-	(1,120,217)	(1,120,217)
Balance December 31, 2006	11,611,021	$11,611	$ 4,252,393	$95,338	$(4,184,059)	$ 175,283

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

MEDIANET GROUP TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE 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 for 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 and on May 22, 2003, Clamshell changed its name to MediaNet Group Technologies, Inc. ("MediaNet" or the "Company"). BAP was formerly named BSP Rewards, Inc., Shutterport, Inc., and Eshutterbug.com, Inc. BAP is a Florida corporation formed on February 4, 2000 to become an online provider of branded business to business and business to consumer web portals to a variety of businesses. The Company 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 a loyalty rewards program ("BSP rewards") and has begun to sign member providers and merchants. The Company will charge merchants participating in the BSP rewards program a percentage of the value of transactions it does.

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".

On June 22, 2005 the Company formed BSP Rewards, Inc. ("BSP) as a wholly

owned subsidiary in the State of Florida as a vehicle to develop and promote its flagship product, the BSP Rewards Program.

CAPITAL RESOURCES AND BUSINESS RISKS

The Company's future operations are subject to all of the risks inherent in the establishment of a new business enterprise. At December 31, 2006, current assets exceeded current liabilities by $68,331. At December 31, 2005, current liabilities exceeded current assets by $118,023.

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 December 31, 2006 and 2005, the Company had an accumulated deficit of $4,184,059 and $3,093,842. The Company also realized net losses of $1,120,217 and $1,072,743 for the years ended December 31, 2006 and 2005, respectively.

Operations to date have been primarily financed by stockholder 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.

CAPITAL RESOURCES AND BUSINESS RISKS (Continued)

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.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of MediaNet Group Technologies, Inc. and its wholly owned subsidiaries Brand-A-Port, Inc., Memory Lane Syndication, Inc., and BSP Rewards, Inc., as described above. All significant intercompany balances and transactions have been eliminated in consolidation.

CONTROL BY PRINCIPAL STOCKHOLDERS

The directors, executive officers and their affiliates or related parties, own beneficially and in the aggregate, the majority 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, would 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.

RELATED PARTY STOCK TRANSACTIONS AND OTHER STOCK TRANSACTIONS

On January 14, 2005 the major stockholder exchanged $22,027 of reimbursable expenses and $10,000 of accrued salary owed to him by the Company, an aggregate amount of $32,027, for 33,713 restricted shares of the Company's common stock at a per share price of $0.95.

On January 18, 2005 the Company issued 8,000 shares of its common stock to Mid-Continental Securities for cash at $1.00 per share upon the exercise of outstanding warrants.

On March 22, 2005 the major stockholder exchanged $20,000 of accrued salary owed to him by the Company for 20,833 restricted shares of the Company's common stock at a per share price of $0.96.

On March 28, 2005 the Company issued 50,000 shares of its common stock to Mid-Continental Securities for cash at $1.00 per share upon the exercise of outstanding warrants.

On March 31, 2005 the Company issued 15,000 shares of restricted common stock to Cameron Associates for consulting services at $0.90 per share.

On April 1, 2005 the Company issued 15,000 shares of restricted common stock to Cameron Associates for consulting services at $0.90 per share.

On May 2, 2005 the Company issued 11,000 shares of restricted common stock to Cameron Associates for consulting services at $0.68 per share.

On May 19, 2005 the Company issued 10,000 shares at $0.25 per share for cash.

On June 1, 2005 the Company issued 13,000 shares of restricted common stock to Cameron Associates for consulting services at $0.60 per share.

On June 16, 2005 the Company issued 66,000 shares to two consultants for services at $0.55 per share.

On June 23, 2005, the Company consummated the private sale of 700,000 restricted common shares and warrants to purchase 175,000 shares at $1.00 for three years, for $385,000. Costs of issuance totaled $47,518.

On July 1, 2005 the Company issued 13,000 shares of restricted common stock to Cameron Associates for consulting services at $0.39 per share.

On August 1, 2005 the Company issued 13,000 shares of restricted common stock to Cameron Associates for consulting services at $0.40 per share.

On September 23, 2005 the Company issued 212,121 shares of restricted common stock and three year warrants to purchase 250,000 common shares at $1.50 per share for the remaining 50% interest in its joint venture with U Love Kids, an entity controlled by a stockholder of the Company. The market value of the shares issued was $70,000 ($0.33 per share as quoted on the OTCBB) and the value of the warrants was estimated to be $30,000.

On October 21, 2005 the major stockholder exchanged $32,000 of reimbursable expenses owed to him by the Company for 145,455 restricted shares of the Company's common stock at a per share price of $0.22.

On December 28, 2005 the major stockholder exchanged $20,500 of reimbursable expenses and $6,500 of accrued salary owed to him by the Company, an aggregate amount of $27,000, for 90,000 restricted shares of the Company's common stock at a per share price of $0.30.

On December 28, 2005 the Company issued 33,333 shares of restricted common stock to Thomas Hill, a director of the Company, for services at $0.30 per share.

On December 30, 2005 the Company issued 59,000 shares of restricted common stock to consultants for services at $0.24.

On January 9, 2006, the Company issued 500,000 shares at $0.25 per share for cash.

On March 6, 2006, the Company issued 80,000 shares of restricted common stock to Cameron Associates for consulting services at $0.31 per share.

On June 8, 2006, the Company consummated the private sale of 625,000 restricted common shares at $0.40 per share.

On September 29, 2006, the Company consummated the private sale of 666,667 restricted common shares at $0.35 per share.

On October 2, 2006, the Company issued 100,000 shares of restricted common stock to Cameron Associates for consulting services at $0.30 per share.

On November 13, 2006, the Company consummated the private sale of 333,333 restricted common shares at $0.35 per share.

On November 21, 2006, the Company issued 25,000 shares of restricted common stock to Jeffrey Meshel, a director of the Company, for services at $0.38 per share.

USE OF ESTIMATES

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SIGNIFICANT ESTIMATES

Several areas require management's estimates relating to uncertainties for which it is reasonably possible that there will be a material change in the near term. The more significant areas requiring the use of management estimates related to valuation of website development costs, film library, accrued liabilities and the useful lives for amortization and depreciation.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred. There were no research and development costs for the years ended December 31, 2006 and 2005.

REVENUE RECOGNITION

The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, the fee is fixed or determinable, collectibility is reasonably assured, and there are no substantive performance obligations remaining. The Company's revenue recognition policies are in conformity with the AICPA's Statement of Position No. 97-2, "Software Revenue Recognition", as amended ("SOP 97-2").

SOP 97-2 generally requires revenue from software arrangements involving multiple elements to be allocated to each element of the arrangement based on the relative fair values of the elements, such as software products, post-contract customer support, installation, or training and recognized as the element is delivered and the Company has no significant remaining performance obligations. The determination of fair value is based on objective evidence that is specific to the vendor. If evidence of fair value for each element of the arrangement does not exist, and the only outstanding deliverable is post-customer support, all revenue from the arrangement is recognized ratably over the term of the arrangement.

Revenue from website portal services is recognized as the services are performed. The web-site portal service revenues are derived from a combination of fees, which are prepackaged individually for each customer. The customers buy a combination of items specific to their individual needs, upon which revenues are derived.

The Company charges a per-client, per-month repetitive web-site maintenance service fee. Customer payments received in advance for providing maintenance services are recorded as deferred revenue and are then recognized proportionately as the maintenance services are performed. Deferred revenue totaled $31,602 at December 31, 2006 and $26,174 at December 31, 2005.

Revenues generated in exchange for advertising services are valued at the fair value of the services exchanged, based on the Company' s own historical practice of receiving cash, or other consideration that is readily convertible to known amounts of cash for similar advertising from buyers unrelated in the barter transaction. During the years ended December 31, 2006 and 2005, revenues derived from barter transactions were not significant.

Revenues generated from the sale of CD/DVDs of its record master are recognized net of a reserve for returns when the product is shipped to the customer in accordance with the terms of the customer's order, the price has been agreed upon, and collection is reasonably assured. At December 31, 2006 a reserve for returns of $7,190 is included in accrued liabilities.

Revenues recognized in 2006 and 2005 related to licensing agreements of the Company's "film library", totaled $11,330 and $23,206. The revenue from the Howdy Doody episodes are recognized in accordance with Statement of Position ("SOP") 00-2, Accounting by Producers or Distributors of Films. The SOP specifies that revenue is to be recognized when all of the following conditions are met:

1. Persuasive evidence of a sale or licensing arrangement with a customer exists.

2. The film is complete and, in accordance with the terms of the arrangement, has been delivered or is available for immediate and unconditional delivery.

3. The license period of the arrangement has begun and the customer can begin its exploitation, exhibition, or sale.

4. The arrangement fee is fixed or determinable.

5. Collection of the arrangement fee is reasonably assured.

When the Company's fee is based on a percentage or share of a customer's revenue from the exploitation of the Howdy Doody episodes, the Company recognizes revenue as the customer exploits the episodes and the Company meets all of the other revenue recognition conditions. In those circumstances the Company receives reports from the customers on a periodic basis and uses those reports as the basis for recording revenue.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt investments with a maturity of three months or less as cash equivalents.

EQUIPMENT

Expenditures for maintenance, repairs and betterments, which do not materially extend the normal useful life of an asset, are charged to operations as incurred. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-LIVED ASSETS

The carrying values of long-lived assets are periodically reviewed by management and impairments are recognized if the expected future non discounted cash flows derived from an asset are less than carrying value.

OTHER ASSETS

The Company capitalizes computer software development costs in accordance with the provisions of 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.

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 Company capitalized in October 2000, $225,000 in website and software development costs. The capitalized costs, which are the outside consulting fees charged by 411now.com, Inc., are amortized to cost of sales based on the estimated useful life (5 years). Amortization expense for software development totaled $0 and $33,763 for the years ended December 31, 2006 and 2005.

The trademark was placed in service September 2001 and cost approximately $4,000. Amortization expense was $400 and $400 for the years ended December 31, 2006 and 2005.

AMORTIZATION AND IMPAIRMENT OF FILM LIBRARY

The Company amortizes the License and Agreement asset to the Howdy Doody films using the individual-film-forecast-computation method, in accordance with SOP 00-2, which amortizes or accrues (expenses) such costs in the same ratio that current period actual revenue (numerator) bears to estimated remaining unrecognized ultimate revenue as of the beginning of the current fiscal year (denominator). The Company began amortization of the capitalized film library in 2004, when the Company began to recognize revenue from the Howdy Doody tapes. Amortization related to the film library was $9,585 and $8,461 for the years ended December 31, 2006 and 2005, which amounts were included in cost of sales.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AMORTIZATION AND IMPAIRMENT OF FILM LIBRARY (Continued)

Ultimate revenue to be included in the denominator of the individual-film-forecast-computation method fraction is subject to certain limitations as set forth in the SOP.

During the course of the Company's strategic review of its entertainment

properties, specifically its Howdy Doody film library, the Company assessed the recoverability of the carrying value of this asset which resulted in impairment losses of $290,530 for the year ended 2006 and $482,165 for the year ended 2005. This loss reflects the amount by which the carrying value of this asset exceeds the estimated fair value, determined by its estimated future discounted cash flows. The impairment loss is recorded as a component of "Operating expenses" in the Statement of Operations.

If an event or change in circumstance indicates that the Company should assess whether the fair value of the License and Agreement to the Howdy Doody episodes is less than its unamortized costs, the Company will determine the fair value of the film and write off to the statement of operations the amount by which the unamortized capitalized costs exceeds the episode's fair value. The Company can not subsequently restore any amounts written off in previous fiscal years to income.

AMORTIZATION AND IMPAIRMENT OF RECORD MASTER

The Company has capitalized the costs of recording and producing its "Songs From The Neighborhood - A Tribute To Mr. Rogers" in accordance with SFAS 50, "Financial Reporting in the Record and Music Industry", a total of $210,032. The Company expects to sell 200,000 of its CD/DVDs and is amortizing the capitalized costs ratably over those sales. The Company began amortization of the capitalized record master in 2005, when the Company began to recognize revenue from sales of the recordings. Amortization related to the record master was $9,165 for the year ended December 31, 2006 and $11,579 for the year ended December 31, 2005, which amounts were included in cost of sales.

During the course of the Company's strategic review of its entertainment properties, specifically its Mr. Rogers record master, the Company assessed the recoverability of the carrying value of this asset which resulted in impairment losses of $167,594. This loss reflects the amount by which the carrying value of this asset exceeds the estimated fair value, determined by its estimated future discounted cash flows. The impairment loss is recorded as a component of "Operating expenses" in the Statement of Operations.

If an event or change in circumstance indicates that the Company should assess whether the fair value of its record master is less than its unamortized costs, the Company will determine the fair value of the record master and write off to the statement of operations the amount by which the unamortized capitalized costs exceeds the record master's fair value. The Company can not subsequently restore any amounts written off in previous fiscal years to income. No impairment loss was recorded in 2005.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

START-UP COSTS

The Company, in accordance with the provisions of the 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.

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to credit risk consist principally of trade receivables. The Company extends credit to a substantial number of its customers and performs on going credit evaluations of those customers financial condition while, generally requiring no collateral. At December 31, 2006 and 2005 the Company recorded a bad debt allowance of $0 and $3,500 for such receivables.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments reported in the Company's consolidated balance sheet consist of cash, prepaid expenses, accounts payable, notes payable and accrued expenses, the carrying value of which approximate fair value at December 31, 2006.

EARNINGS PER SHARE

The Company accounts for earnings per share under the provisions of Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share", which requires a dual presentation of basic and diluted earnings per share. Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed assuming the conversion of convertible preferred stock and the exercise or conversion of common stock equivalent shares, if dilutive, consisting of unissued shares under options and warrants. Basic and diluted losses are the same as the inclusion of unissued warrants and options in the denominator would be antidilutive.

ADVERTISING COSTS

All costs associated with advertising and promoting products are expensed in the year incurred. Advertising expense was $8,450 and $5,120 for the years ended December 31, 2006 and 2005, respectively.

INCOME TAXES

Income taxes are accounted for under the asset and liability method in accordance with Statement of Financial Accounting Standard No. 109 "Accounting for Income Taxes" ("FAS 109"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. 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. Deferred tax assets are reduced by a valuation allowance to the extent that the recoverability of the asset is not considered to be more likely than not.

The Company did not provide any current or deferred income tax provision or benefit for any periods presented to date because it has experienced a net operating loss since inception, and has taken a full valuation allowance against all deferred tax assets.

NEW ACCOUNTING PRONOUNCEMENTS

In February 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments - an amendment of FASB Statements No. 133 and 140". The statement permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips are not subject to the requirements of Statement 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. The Statement is effective for financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. The Company expects that the Statement will have no material impact on its financial statements.

In February 2006, the FASB issued Staff Position No. FAS 123(R)-4, "Classification of Options and Similar Instruments Issued as Employee Compensation That Allow for Cash Settlement upon the Occurrence of a Contingent Event". This position addresses the classification of options and similar instruments issued as employee compensation that allow for cash settlement upon the occurrence of a contingent event, amending paragraphs 32 and A229 of SFAS No. 123 (revised 2004), "Share-Based Payment". As the Company has not traditionally issued securities subject to contingencies,

no impact is expected on its financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FASB Interpretation No. ("FIN") 48, Accounting for Uncertainty in Income Taxes--an Interpretation of FASB Statement No. 109. In July 2006, the FASB issued FIN 48, Accounting for Uncertainty in Income Taxes--an Interpretation of FASB Statement No. 109, which clarifies the accounting for uncertainty in tax positions. This Interpretation requires the Company to recognize in its consolidated financial statements the impact of a tax position if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective for the Company on January 1, 2007, with the cumulative effect of the change in accounting principle, if any, recorded as an adjustment to opening retained earnings. The Company does not believe FIN 48 will have an impact on its consolidated financial statements.

SFAS 157, Fair Value Measurements. In September 2006, the FASB issued SFAS 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements, where fair value is the relevant measurement attribute. The standard does not require any new fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently evaluating the impact of adopting SFAS 157 on its consolidated financial statements.

Staff Accounting Bulletin ("SAB") No. 108

In September 2006, the SEC issued SAB No. 108, which provides guidance on the process of quantifying financial statement misstatements. In SAB No. 108, the SEC staff establishes an approach that requires quantification of financial statement errors, under both the iron-curtain and the roll-over methods, based on the effects of the error on each of the Company's financial statements and the related financial statement disclosures. SAB No.108 is generally effective for annual financial statements in the first fiscal year ending after November 15, 2006. The transition provisions of SAB No. 108 permit existing public companies to record the cumulative effect in the first year ending after November 15, 2006 by recording correcting adjustments to the carrying values of assets and liabilities as of the beginning of that year with the offsetting adjustment recorded to the opening balance of retained earnings. Management does not expect that the adoption of SAB No.108 would have a material effect on the Company's consolidated financial statements.

The Company is currently evaluating the effect of other new accounting pronouncements on its future statements of financial position and results of operations.

2. EQUIPMENT

Equipment at cost consists of computer equipment and software. Depreciation expense for the years ended December 31, 2006 and 2005 was $1,832 and $2,380.

3. INCOME TAXES

The Company has implemented SFAS No. 109, "Accounting for Income Taxes", which provides for a liability approach to accounting for income taxes. Total deferred tax assets and liabilities at December 31 are as follows:

	2006	2005
Deferred tax assets Tax NOL	$1,673,624	$1,225,537
Valuation Allowance	(1,673,624)	(1,225,537)

The Company has available at December 31, 2006, unused federal and state

net operating loss carryforwards totaling $4,187,059 that may be applied against future taxable income that expire in the years 2007 through 2021. The tax benefit of these net operating loss carryforwards, based on an effective tax rate of 40% is approximately $ 1,673,624. 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.

4. 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.

5. 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, 2008. 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 February 28, 2009. Minimum payments under the agreement are set forth in the following table:

Year ended December 31,	Minimum lease payment required:
2007	$ 48,928
2008	50,433
2009	52,027
Total	$ 151,388

6. OPERATING SEGMENTS

The Company has two reportable segments: (1) entertainment properties which includes audio and video products and (2) branded services which includes the branded websites and branded loyalty rewards programs, all their products are sold in the United States. These operating segments were determined based on the nature of the products and services offered. The segments share a common workforce and office headquarters, which include an allocation of all overhead components. Overhead items that are specifically identifiable to a particular segment are applied to such a segment. The following table reflect the operations of the Company's reportable segments:

TWELVE MONTHS ENDED DECEMBER 31, 2006	BRANDED SERVICES	ENTERTAINMENT PROPERTIES	CORPORATE AND ELIM.	CONSOLIDATED TOTAL
Net Sales (2)	$ 377,431	$ 56,289	-	$ 433,720
Depreciation & Amortization (3) ...	2,232	18,750	-	20,982
Asset Impairment (4)	-	458,124	-	458,124
Segment (Loss) Income before taxes	(336,552)	(646,712)	(136,953)	(1,120,217)
Segment assets (1)	63,768	132,990	145,895	342,653
Expenditures for segment assets (3)	-	-	-	-

TWELVE MONTHS ENDED DECEMBER 31, 2005	BRANDED SERVICES	ENTERTAINMENT PROPERTIES	CORPORATE AND ELIM.	CONSOLIDATED TOTAL
Net Sales (2)	$ 55,243	$ 121,479	-	$ 176,722
Depreciation & Amortization (3) ...	35,002	21,181	-	56,183
Asset Impairment (4)	-	482,165	-	482,165
Segment (Loss) Income before taxes	(387,599)	(552,036)	(133,108)	(1,072,743)
Segment assets (1)	19,328	710,131	604	730,063
Expenditures for segment assets (3)	5,495	107,532	-	113,027

(1) Total Business assets are owned or allocated assets used by each business. Corporate assets consist of cash and cash equivalents, marketable securities and certain other assets.

(2) Branded Services two year comparative segment revenue follows;

(a) Gift Cards generated $271,777 in revenue for the fiscal year ending December 31, 2006, as compared to $724 for the fiscal year ended December 31, 2005.

(b) BSP Reward program generated $34,148 in revenue for the fiscal year ended December 31, 2006, as compared to $1,058 for the fiscal year ended December 31, 2005.

(c) Design and Hosting generated $67,573 in revenue for the fiscal year ended December 31, 2006, as compared to $49,544 for the fiscal year ended December 31, 2005.

(d) Other items generated $3,933 in revenue for the fiscal year ended December 31, 2006, as compared to $3,917 for the fiscal year ended December 31, 2005.

(3) Corporate property additions, depreciation and amortization expense include items attributable to the unallocated fixed assets of support divisions and common facilities.

(4) Asset impairment attributable to our strategic review of assets, comparing undiscounted cash flows against carrying values.

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. The Company's chief executive officer and chief financial officer have been identified as the chief decision makers. The Company's chief operation decision makers direct the allocation of resources to operating segments based on the profitability and cash flows of each respective segment.

The Company evaluates performance based on several factors, of which the primary financial measure is business segment income before taxes.

7. WARRANTS AND STOCK OPTIONS

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 subsidiaries. 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 18, 2005 the Company granted a total of 50,000 non-qualified stock options to two employees, in accordance with the Incentive and Non-Statutory Stock Option Plan. The options vest from 2005 to 2007 and are exercisable at $0.45 per share. On August 2, 2005 the Company granted a total of 25,000 non-qualified stock options to a director, in accordance with the Incentive and Non-Statutory Stock Option Plan. The options vest from 2005 to 2007 and are exercisable at $0.19 per share.

On December 6, 2006 the Company granted a total of 75,000 non-qualified stock options to a director, in accordance with the Incentive and Non-Statutory Stock Option Plan. The options vest from 2006 to 2008 and are

exercisable at $0.18 per share.

The issuances of stock options are accounted for using the fair value method in accordance with SFAS No. 123, "Accounting for Stock Based Compensation". Accordingly, compensation expense is recognized over the vesting period. Compensation expense recorded due to stock option vesting was $38,154 and $42,112 for the years ended December 31, 2006 and 2005.

8. WARRANTS AND STOCK OPTIONS (Continued)

Stock option and warrant transactions are summarized as follows:

	Stock Options		Warrants	
	2006	2005	2006	2005
Outstanding - beginning of year ..	165,000	90,000	495,000	458,000
Granted	100,000	75,000	-	495,000
Exercised	-	-	-	58,000
Forfeited	-	-	-	400,000
Outstanding - end of year	265,000	165,000	495,000	495,000

The following table provides certain information with respect to the above referenced stock options outstanding at December 31, 2006:

	Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Life - Years
Stock options	$0.18 - $0.45	265,000	$0.26	3.7
Warrants	$0.55 - $1.50	495,000	$1.20	2.0

The following table provides certain information with respect to stock options exercisable at December 31, 2006:

	Exercise Price	Number Outstanding	Weighted Average Exercise Price
Stock options	$0.18 - $0.45	173,331	$0.27
Warrants	$0.55 - $1.50	495,000	$1.20

The weighted average fair value at date of grant for options granted during 2006 was $0.18, and was estimated using the Black-Scholes option valuation model with the following assumptions:

Expected life in years	5
Interest rate	4.35%
Volatility	100.56%
Dividend yield	0%

9. SUBSEQUENT EVENTS

On January 23, 2007 the company issued 40,000 shares of restricted common stock to Joseph Porrello. Mr. Porrello (a Director) exercised his stock option to purchase 40,000 shares valued at $0.26 per share. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificate issued.

On January 23, 2007 the Company issued 25,000 shares of restricted common stock to Robert Hussey for consulting services valued at $0.40 per share. The $0.40 per share price is consistent with the market price of the Company's stock as quoted on the OTC Bulletin Board on January 23, 2007. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on

the certificate issued.

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 on January 23, 2007.

On February 2, 2007, the Company consummated the private sale of 285,715 shares to one (1) accredited investor, at a price of $0.35 per share. The total offering price was $100,000. The securities were sold based on the exemption from registration provided by Section 4 (2) of the Securities Act of 1933, in that these shares were acquired for investment purposes only. A restrictive legend was placed on the certificate issued.

EXHIBIT 31.1

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

I, Martin Berns, certify that:

1. I have reviewed this Form 10-KSB 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 small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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 small business issuer 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 small business issuer, 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) evaluated the effectiveness of the small business issuer'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

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

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: March 31, 2007

By: /s/ Martin Berns
Martin Berns, Director and
Principle Executive Officer

EXHIBIT 31.2

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

I, James Dyas, certify that:

1. I have reviewed this Form 10-KSB 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 small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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 small business issuer 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 small business issuer, 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) evaluated the effectiveness of the small business issuer'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

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

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: March 31, 2007 By: /s/ James Dyas
James Dyas, Director and
Principle Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-KSB of MEDIANET GROUP TECHNOLOGIES, INC. (the "Company") on Form 10-KSB for the period ending December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Berns, 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/ Martin Berns
Martin Berns
Chief Executive Officer

March 31, 2007

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Form 10-KSB of MEDIANET GROUP TECHNOLOGIES, INC. (the "Company") on Form 10-KSB for the period ending December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Dyas, Principle 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/ James Dyas
James Dyas
Director and Principle Financial Officer

March 31, 2007