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If you are in doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Madison Wine Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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MADISON WINE®
Madison Wine Holdings Limited
麥迪森酒業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8057)

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the EGM to be held at Flat A&B, 10/F, North Point Industrial Building, 499 King’s Road, North Point, Hong Kong on Monday, 7 November 2016 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use at the meeting is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at <http://www.madison-wine.com>.

21 October 2016

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Latest date and time of lodgment of form of proxy
for the EGM 11:00 a.m. on 5 November 2016

Date and time of the EGM 11:00 a.m. on 7 November 2016

Publication of the announcement of poll results of the EGM 7 November 2016

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Letter from the Board – Conditions of the Share Subdivision” in this circular.

Effective date of the Share Subdivision 8 November 2016

First day of free exchange of existing share certificates
for new share certificates for the Subdivided Shares 9:00 a.m. on 8 November 2016

Dealings in the Subdivided Shares commence 9:00 a.m. on 8 November 2016

Original counter for trading in Shares in board
lots of 4,000 Shares temporarily closes 9:00 a.m. on 8 November 2016

Temporary counter for trading in the Subdivided Shares
in board lot size of 40,000 Subdivided Shares
(in the form of existing share certificates) opens 9:00 a.m. on 8 November 2016

Original counter for trading in the Subdivided Shares
in board lots of 4,000 Subdivided Shares (only new
share certificates for the Subdivided Shares
can be traded at this counter) re-opens 9:00 a.m. on 22 November 2016

Parallel trading in the Subdivided Shares
(in the form of existing share certificates and
new share certificates) commences 9:00 a.m. on 22 November 2016

EXPECTED TIMETABLE

Temporary counter for trading in board lots of
40,000 Subdivided Shares (in the form of
existing share certificates) closes. 4:00 p.m. on 12 December 2016

Parallel trading in the Subdivided Shares (in the
form of existing share certificates and new
share certificates) ends 4:00 p.m. on 12 December 2016

Last day of free exchange of existing share certificates
for the Shares for new share certificates for
the Subdivided Shares 4:30 p.m. on 14 December 2016

Note: All times and dates in this circular refer to Hong Kong local times and dates.

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

DEFINITIONS

In this circular, unless the context otherwise defined, the following expressions shall have the following meanings:

“Board”	the board of Directors
“business day”	a day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Madison Wine Holdings Limited, a company incorporated in the Cayman Islands, whose Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the Share Subdivision
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Registrar”	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s) or Subdivided Share(s), as the case may be
“Share(s)”	ordinary share(s) of a par value of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme entitling the holders thereof to subscribe for Shares
“Share Option Scheme”	the share option scheme of the Company approved by the sole Shareholder on 21 September 2015, which became effective on the listing of the Shares on GEM on 8 October 2015
“Share Subdivision”	the proposed subdivision of every one (1) issued and unissued Share into ten (10) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of a par value of HK\$0.001 each in the share capital of the Company upon the Share Subdivision becoming effective
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

LETTER FROM THE BOARD



MADISON WINE®

Madison Wine Holdings Limited

麥迪森酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8057)

Executive Directors:

Mr. Ting Pang Wan Raymond (*Chairman*)

Mr. Kao Sheng-Chi

Mr. Zhu Qin

Independent non-executive Directors:

Ms. Debra Elaine Meiburg

Ms. Fan Wei

Mr. Chu Kin Wang Peleus

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Flat A & B, 10/F

North Point Industrial Building

499 King's Road, North Point

Hong Kong

21 October 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 20 October 2016 in which the Board proposes to subdivide every one (1) issued and unissued Share into ten (10) Subdivided Shares.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the Share Subdivision and to give you notice of the EGM at which an ordinary resolution will be proposed to approve, among other matters, the Share Subdivision.

PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide every one (1) issued and unissued Share into ten (10) Subdivided Shares. The Share Subdivision will become effective upon the fulfilment of the conditions set out in the paragraph headed “Conditions of the Share Subdivision” below.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (i) the passing of an ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subdivided Shares.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

Effects of the Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares, of which 400,000,000 Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Subdivision becoming effective and on the basis that no further Shares will be allotted and issued or bought back prior thereto, the authorised share capital of the Company will be HK\$10,000,000 divided into 10,000,000,000 Subdivided Shares, of which 4,000,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, all Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue in accordance with the articles of association of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 18,100,000 Shares at the exercise price of HK\$8.00 per Share (subject to adjustment, if any). Under the terms and conditions of the Share Option Scheme, the Share Subdivision may lead to adjustments to the exercise price and/or the number of Shares falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the Share Options, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

Application for listing of the Subdivided Shares

Application will be made to the Stock Exchange for granting the listing of, and permission to deal in, the Subdivided Shares arising from the Share Subdivision and all necessary arrangements will be made for the Subdivided Shares to be admitted into CCASS.

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

Status of the Subdivided Shares

All Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not result be affected by the Share Subdivision.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

Board lot size

The Shares are currently traded in board lot size of 4,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged with 4,000 Subdivided Shares for each board lot. As it is expected that no odd lot of the Shares will be created as a result of the Share Subdivision other than those which already exist, no odd lot arrangement to match the sales and purchases of odd lots will be made.

Based on the closing price of HK\$10.86 per Share as at the Latest Practicable Date, the value of each board lot of 4,000, assuming the Share Subdivision had already been effective, would be HK\$4,344.

Exchange of share certificates

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the new share certificates for the Subdivided Shares free of charge during the business hours from 9:00 a.m. to 4:30 p.m. on any business day from 8 November 2016 to 14 December 2016 (both days inclusive).

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for exchange of new share certificates. It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of ten business days after the submission of the existing share certificates for the Shares to the Registrar for exchange.

The existing share certificates will only be valid for trading, settlement and registration purposes for the period up to 4:00 p.m. on 12 December 2016, and thereafter will not be accepted for trading, settlement and registration purposes.

The new share certificates for the Subdivided Shares will be purple in colour to distinguish from the existing share certificates for the Shares which are red in colour.

LETTER FROM THE BOARD

REASONS FOR THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the nominal value of each Share will decrease and the total number of Shares in issue will increase, thereby resulting a downward adjustment of the trading price of the Shares. Based on the closing price of HK\$10.86 per Share quoted on the Stock Exchange as at the Latest Practicable Date, the market value per board lot of 4,000 Shares is HK\$43,440. The estimated market value per board lot of 4,000 Subdivided Shares will theoretically be reduced to HK\$4,344 immediately upon the Share Subdivision becoming effective.

Although the Share Subdivision will result in downward adjustment of the trading price of the Shares, the Board believes that the Share Subdivision will lower the market value of each board lot of Subdivided Shares and thus lower the monetary hurdle of trading in the Shares by investors, and thereby will enhance the liquidity in trading of the Subdivided Shares and enable the Company to attract more investors and broaden its Shareholder base.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation thereof will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business operations, management or financial position of the Group or result in any change in the rights of the Shareholders. Accordingly, the Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

WARNING

Shareholders and potential investors should be aware of and take note that the Share Subdivision is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Share Subdivision” above, and therefore may or may not proceed.

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

EGM

The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The EGM will be held on Monday, 7 November 2016 at 11:00 a.m. at Flat A&B, 10/F, North Point Industrial Building, 499 King’s Road, North Point, Hong Kong for the purpose of, considering and, if thought fit, to approve the Share Subdivision. A form of proxy for use at the EGM is enclosed.

LETTER FROM THE BOARD

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Share Subdivision.

The resolutions proposed to be approved at the EGM will be taken by poll and an announcement on the results of the EGM will be made by the Company thereafter.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interests with the Group.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Share Subdivision is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the EGM to approve the Share Subdivision.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Innovax Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 24 September 2015, neither the Compliance Adviser nor its directors, employees or associates had any interest in relation to the Company or any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the Latest Practicable Date.

Yours faithfully
For and on behalf of the Board of
Madison Wine Holdings Limited
Ting Pang Wan Raymond
Chairman

NOTICE OF EGM



MADISON WINE®

Madison Wine Holdings Limited

麥迪森酒業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8057)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Madison Wine Holdings Limited (“**Company**”) will be held at Flat A&B, 10/F, North Point Industrial Building, 499 King’s Road, North Point, Hong Kong on Monday, 7 November 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, the Subdivided Shares (as defined below), with effect from the business day immediately following the day on which this resolution is passed by the shareholders of the Company:

- (a) every one (1) issued and unissued shares of HK\$0.01 each in the share capital of the Company be subdivided into ten (10) shares of HK\$0.001 each in the share capital of the Company (the “**Share Subdivision**”); and
- (b) any director of the Company be and is hereby generally authorised to do all such acts, deeds and things and execute all such documents, including under the seal of the Company, where applicable, as he/she may consider necessary or expedient to complete, implement and give effect to any and all the arrangements in connection with Share Subdivision.”

By order of the Board
Madison Wine Holdings Limited
Ting Pang Wan Raymond
Chairman

Hong Kong, 21 October 2016

NOTICE OF EGM

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or adjourned meeting (as the case may be).
3. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the EGM if the member so desires and in such event, the instrument appointing the proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.