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MADISON

Madison Holdings Group Limited
麥迪森控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8057)

**(I) CONNECTED TRANSACTION IN RELATION TO
THE ENTERING INTO OF THE DEED OF MODIFICATION
TO ALTER THE TERMS AND CONDITIONS OF
THE EXCHANGEABLE BONDS;**

AND

**(II) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE PROPOSED EXERCISE OF THE EXCHANGE RIGHTS
ATTACHED TO THE EXCHANGEABLE BONDS**

(I) THE DEED OF MODIFICATION RELATING TO THE EXCHANGEABLE BONDS

On 17 November 2017 (after trading hours), CVP Financial and Bartha Holdings entered into the Deed of Modification pursuant to which, the parties conditionally agreed to amend the Original Exchange Period, allowing CVP Financial, as holder of the Exchangeable Bonds, to exchange (i) for the number of Bartha Shares up to 49% of the entire issued share capital in Bartha International during the period from the date of issue of the Exchangeable Bonds up to and including 31 March 2020, and (ii) all outstanding Exchangeable Bonds from 1 April 2018 up to and including the Maturity Date.

The Deed of Modification shall take effect upon the satisfaction of the conditions set out in the paragraph headed “Conditions precedent” below.

(II) THE PROPOSED EXERCISE OF THE EXCHANGE RIGHTS ATTACHED TO THE EXCHANGEABLE BONDS

Upon the Deed of Modification having become effective, the Board intends to exercise the Exchange Rights to exchange for 4,900 Bartha Shares to be owned by Bartha Holdings upon the Loan Capitalisation, representing 49% of the enlarged issued share capital of Bartha International upon the Loan Capitalisation.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Ting, being an executive Director, the chairman of the Board and the controlling Shareholder, is a connected person of the Company. As Bartha Holdings is owned as to 85.25% by CVP Holdings, which, in turn is wholly-owned by Mr. Ting, Bartha Holdings is an associate of Mr. Ting and therefore a connected person of the Company. Accordingly, the Proposed Transactions constitute connected transactions on the part of the Company under the GEM Listing Rules.

As certain applicable percentage ratios for the Proposed Exercise are more than 25% but less than 100%, the Proposed Exercise itself constitutes a major transaction on the part of the Company under the GEM Listing Rules, and therefore is subject to reporting, announcement and Independent Shareholders' approval requirements.

As Mr. Ting is having material interest in the Proposed Transactions, Mr. Ting and his associates are required to abstain from voting on the resolution(s) at the EGM to approve the Proposed Transactions at the EGM.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness in respect of the Proposed Transactions. The Company has appointed Red Sun Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regards.

EGM

The EGM will be held and convened to consider and, if thought fit, to approve, among other things, the Proposed Transactions and the transactions contemplated thereunder.

A circular containing, among other matters, further details of the Proposed Transactions, the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the financial information of the Target Group and a notice to convene the EGM will be despatched to the Shareholders on or before 28 December 2017 as more time is required to prepare the information to be included in the circular.

BACKGROUND

Reference is made to the Circular in relation to, among other things, the issue of the Exchangeable Bonds.

The Company entered into the Subscription Agreement with CVP Financial in relation to the issue of the Exchangeable Bonds in an aggregate principal amount of HK\$150,000,000. CVP Financial, as holder of the Exchangeable Bonds, is entitled to exchange for all the Bartha Shares owned by Bartha Holdings upon exercise of the Exchange Rights during the Original Exchange Period. The Exchangeable Bonds were issued on 28 July 2017 and will mature on 27 July 2022 pursuant to the EB Conditions.

As at the date of this announcement, none of the Exchangeable Bonds has been redeemed nor converted, in whole or in part.

(I) THE DEED OF MODIFICATION RELATING TO THE EXCHANGEABLE BONDS

On 17 November 2017 (after trading hours), CVP Financial and Bartha Holdings entered into the Deed of Modification pursuant to which, the parties conditionally agreed to amend the Original Exchange Period, allowing CVP Financial, as holder of the Exchangeable Bonds, to exchange (i) for the number of Bartha Shares up to 49% of the entire issued share capital in Bartha International during the period from the date of issue of the Exchangeable Bonds up to and including 31 March 2020, and (ii) all outstanding Exchangeable Bonds from 1 April 2018 up to and including the Maturity Date.

Set out below is the Amendment under the Deed of Modification.

The Deed of Modification

Date: On 17 November 2017

Parties: (1) CVP Financial; and
(2) Bartha Holdings

The Amendment

Pursuant to the EB Conditions, the Exchange Rights attached to the Exchangeable Bonds can be exercised after 3 years from the date of the issue of the Exchangeable Bonds up to and including the Maturity Date.

Pursuant to the Deed of Modification, the parties conditionally agreed to amend the Original Exchange Period with effect from 17 November 2017, allowing CVP Financial, as holder of the Exchangeable Bonds, to exchange (i) for the number of Bartha Shares up to 49% of the entire issued share capital in Bartha International during the period from the date of issue of the Exchangeable Bonds up to and including 31 March 2020, and (ii) all outstanding Exchangeable Bonds from 1 April 2018 up to and including to the Maturity Date. As at the date of this announcement, none of the Exchangeable Bonds has been redeemed or exchanged.

Conditions precedent

The Deed of Modification shall take effect upon the satisfaction of the following conditions:

- (i) the passing by the Independent Shareholders at an extraordinary general meeting of the Company of the necessary resolutions to approve the Deed of Modification and the transactions contemplated thereunder, including the Amendment; and
- (ii) all necessary consents and approvals required to be obtained on the part of CVP Financial and Bartha Holdings in respect of the Amendment having been obtained.

None of the above conditions could be waived by the parties to the Deed of Modification. The effective date of the Deed of Modification shall be on the date when all the above conditions are fulfilled.

As at the date of this announcement, none of the above conditions have been satisfied.

Save as disclosed above, the principal terms of the Exchangeable Bond as disclosed in the Circular remain unchanged and are still in full force and effect.

(II) THE PROPOSED EXERCISE OF THE EXCHANGE RIGHTS ATTACHED TO THE EXCHANGEABLE BONDS

Upon the Deed of Modification having become effective, the Board intends to exercise the Exchange Rights to exchange for 4,900 Bartha Shares to be owned by Bartha Holdings upon the Loan Capitalisation, representing 49% of the enlarged issued share capital of Bartha International upon the Loan Capitalisation.

Assets to be acquired

As at the date of this announcement, Bartha International has one issued share which is owned by Bartha Holdings. Upon the Loan Capitalisation, Bartha Holdings shall own 10,000 issued shares in Bartha International. CVP Financial intends to exercise the Exchange Rights attached to the Exchangeable Bonds to exchange for 4,900 Bartha Shares to be owned by Bartha Holdings, representing 49% of the enlarged issued share capital of Bartha International upon the Loan Capitalisation.

Conditions precedent

Upon the Deed of Modification having become effective, pursuant to the amended and restated EB Conditions, the Proposed Exercise is subject to the fulfillment of the following conditions:

- (1) the obtaining of approval from the SFC for the change in ultimate substantial shareholder of Eternal Pearl;
- (2) if applicable, the passing by the Independent Shareholders at an extraordinary general meeting of the Company approving the Proposed Exercise in accordance with the GEM Listing Rules and the applicable laws and regulations; and
- (3) the obtaining of all necessary consents and approvals required to be obtained on the part of the Company and/or Bartha Holdings in respect of the Proposed Exercise.

None of the above conditions could be waived by the parties to the amended and restated EB Conditions.

Consideration

No additional consideration shall be payable in respect of the Proposed Exercise.

Shareholders' agreement

Upon completion of the Proposed Exercise, the shareholders of Bartha International, namely CVP Financial and Bartha Holdings will enter into a shareholders' agreement with Bartha International, to record the respective rights and obligations as shareholders of Bartha International with respect to finance, management and operations of Bartha International and its subsidiaries.

Under the shareholders' agreement, among other things, CVP Financial and Bartha Holdings shall be entitled to appoint 2 director(s) and 1 director(s) to the board of Bartha International respectively. Any transfer of shares or interest in shares by a shareholder thereafter will be subject to the first right of refusal of the other shareholders.

Each director of the Bartha International shall have one vote in the board and decisions of the Bartha International shall be made by majority vote.

Completion

Completion of the Proposed Exercise shall take place upon the fulfillment (or waiver) of the conditions to exercise of Exchange Rights of the amended and restated EB Conditions.

Upon Completion, Bartha International will become an indirect non-wholly subsidiary of the Company and the financial results of the Bartha Group will be consolidated into the Group's accounts.

Put Option

Upon completion of the Proposed Exercise, CVP Financial and Bartha Holdings will also enter into the Put Option Deed at nil consideration, pursuant to which Bartha Holdings shall grant to CVP Financial the right (but not obligation) to require Bartha Holdings to acquire all the Bartha Shares held by it immediately prior to the exercise of the Put Option at the purchase price equivalent to the aggregate of (i) the principal amount of the Exchangeable Bonds being exchanged, and (ii) any further investment made by CVP Financial and its associates after the Proposed Exercise, if the audited consolidated net profit attributable to the Bartha Group after tax and any extraordinary or exceptional items of the Bartha Group for the 24 months ended 31 March 2019 is less than HK\$15,000,000 (the "**Guaranteed Profit**").

The Put Option, when exercised by CVP Financial, will be subject to (i) the passing by the Independent Shareholders at an extraordinary general meeting of the Company of the resolutions to approve the proposed exercise of the Put Option in accordance with the GEM Listing Rules and the applicable laws and regulations; and (ii) the obtaining of approval from the SFC for the change in the indirect substantial shareholder of Eternal Pearl as a result of the exercise of Put Option.

Further announcement(s) will be made by the Company in respect of the exercise of the Put Option.

INFORMATION OF BARTHA HOLDINGS, BARTHA INTERNATIONAL AND ETERNAL PEARL

Bartha Holdings

Bartha Holdings is a limited liability company established in Hong Kong, and is beneficially owned as to 85.25% by CVP Holdings, which, in turn, is wholly-owned by Mr. Ting, an executive Director, the chairman of the Board and the controlling Shareholder, and as to 14.75% by two Independent Third Parties. Bartha Holdings is principally engaged in investment holding. The total investment cost in the shares in Bartha Holdings by CVP Holdings amounted to HK\$45,006,370.

Bartha International

Bartha International is a limited liability company established in Hong Kong, and is wholly-owned by Bartha Holdings. Bartha International is principally engaged in investment holding. Bartha International has no business except being the immediate holding company of Eternal Pearl.

The unaudited financial information of Bartha International prepared under the Hong Kong Financial Reporting Standards for the period from 18 August 2015 (date of incorporation) to 31 March 2016 and for the year ended 31 March 2017 and the six months ended 30 September 2017 are as follows:

	For the period from 18 August 2015 (date of incorporation) 31 March 2016 <i>HK\$'000</i> (unaudited)	For the year ended 31 March 2017 <i>HK\$'000</i> (unaudited)	For the six months ended 30 September 2017 <i>HK\$'000</i> (unaudited)
Turnover	–	–	459
(Loss)/profit before tax	(191)	5	(3)
(Loss)/profit after tax	(191)	5	(3)

The unaudited net liabilities of Bartha International as at 30 September 2017 was approximately HK\$189,000.

Eternal Pearl

Eternal Pearl was incorporated in Hong Kong with limited liability on 24 October 2003. From 24 October 2003 to 30 March 2016, Eternal Pearl was jointly owned by two Independent Third Parties. On 30 March 2016, the entire equity interest in Eternal Pearl was acquired by Bartha International. Since 6 May 2005, Eternal Pearl has been licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO. As advised by Bartha Holdings, since the obtaining of relevant SFO licences, Eternal Pearl has no non-compliance record with the SFC.

Eternal Pearl is principally engaged in the provision of (i) securities dealing and brokerage service; (ii) futures contracts dealing and brokerage service; (iii) margin financing services; and (iv) placing and underwriting services.

Set out below is the unaudited financial information of Eternal Pearl prepared under the Hong Kong Financial Reporting Standards for the year ended 31 March 2016 and 2017 and the six months ended 30 September 2017:

	For the year ended		For the
	31 March 2016	31 March 2017	six months ended
	<i>HK\$'000</i>	<i>HK\$'000</i>	30 September 2017
	(unaudited)	(unaudited)	<i>HK\$'000</i>
			(unaudited)
Turnover	6,502	6,693	12,316
(Loss)/profit before tax	(5,137)	(10,930)	5,230
(Loss)/profit after tax	(5,137)	(11,011)	5,230

The unaudited net asset of Eternal Pearl as at 30 September 2017 was approximately HK\$61,610,000.

REASONS FOR THE ENTERING INTO OF THE PROPOSED TRANSACTIONS

The Group is principally engaged in (i) the retail sales and wholesales of a wide spectrum of wine products and other alcoholic beverages in Hong Kong with a focus on red wine; and (ii) the provision of financial services.

In view of the robust improvement of business of the Bartha Group through the margin financing business, placing and brokerage services conducted by Eternal Pearl for the 6 months ended 30 September 2017, with approximately 34.7% of the Guaranteed Profit being met as at 30 September 2017, and the active retail and institutional participations in the initial public offerings in Hong Kong, the Directors are optimistic with the future performance of the Bartha Group.

As advised by Bartha Holdings, Eternal Pearl has generated a net profit of approximately HK\$5.2 million for the 6 months ended 30 September 2017. The increase in net profit was mainly incurred by (i) the enlarged working capital through certain fund raising activities which leads to the increase in the financing amount under margin financing business; (ii) the increase in placing and underwriting business; and (iii) the enhanced cost control policy which reduced the general expenditure of Eternal Pearl.

As informed by Bartha Holdings, since 1 April 2017 and up to the date of this announcement, Eternal Pearl has completed 8 placings for 7 separate independent clients and has secured another new share placement agreement for acting as a placing agent to procure placees to subscribe for placing shares or convertible bonds on a best-efforts basis. Taking into account of the newly committed placement, the maximum aggregate amount raised under and the gross commission shall range from approximately HK\$4.0 million to HK\$850 million and from 1.0% to 2.0% of the fund raising amount respectively.

Currently, the management of Eternal Pearl is in negotiation with 8 potential corporate clients, being listed issuers in Hong Kong which plan to raise funds of maximum aggregate amount ranging from approximately HK\$18 million to HK\$672 million in the next six months. If all the above placing agreements materialise, it shall charge an average commission rate of approximately 1.40% of the fund raising amount, and accordingly shall receive an additional commission of, in aggregate, approximately HK\$37 million. As at the date of this announcement, no legally binding agreement was entered into in relation to the placements in negotiation.

Considering that the robust improvement of performance of Eternal Pearl in the past few months and the business opportunities in the pipeline of the placing and underwriting services, together with the designated marketing team of Eternal Pearl continuously attending different social events organized by different trade unions, corporate presentations and road shows of listed issuers or potential listing applicants in order to expand their business network in the Hong Kong financial market to identify potential securities issuers, Bartha Holdings expected that Eternal Pearl shall receive an aggregate commission income of approximately HK\$52 million.

According to the record of Eternal Pearl, over 2,300 clients have opened securities accounts (including cash and margin account) in Eternal Pearl as at the date of this announcement. The financing amount and customers of the margin financing business was approximately HK\$61.2 million and 43 clients, and generated interest income of approximately HK\$4.9 million for the period from 1 April 2017 to the date of this announcement and approximately HK\$2.7 million for the period from 28 July 2017 (being the date of completion of the Subscription) to the date of this announcement respectively.

Furthermore, Bartha Holdings intended to raise approximately HK\$50 million by way of issue of convertible securities. The fund to be raised shall be used for development of margin financing business which is expected to contribute an additional interest income of approximately HK\$1.2 million, at the existing lending interest rate of 10% per annum.

Based on the above achievement and business plan, it is expected that the Bartha Group shall be able to achieve a revenue of approximately HK\$22 million and a profit of approximately HK\$9 million respectively for the year ending 31 March 2018, thereby 60% of the Guaranteed Profit shall be met as at 31 March 2018.

It is expected that, upon completion of the Proposed Exercise, the Bartha Group will become subsidiaries of the Group, whose financial results will be consolidated into the Group. Hence, the Group will be able to leverage on the experience and expertise of Eternal Pearl to further enhance its financial services, and at the same time enjoy the revenue and profit generated from the Bartha Group.

In respect of the application (the “**Application**”) to apply for setting up the JV Securities Company in Nansha area of Guangzhou Pilot Free Trade Zone, the PRC, as advised by Bartha Holdings, China Securities Regulatory Commission of the PRC has made further enquiries and therefore is still under review. In order not to affect the Application, the Board elects to exercise the Exchangeable Bonds to exchange for 49% equity interest in Bartha International, which will not substantially affect the shareholding structure of the JV Securities Company while the Proposed Exercise will allow the Group to consolidate the revenue and profit of the Bartha Group into the Group.

Based on the above reasons, the Directors (excluding the independent non-executive Directors who will give their view on the terms of the Proposed Transactions after reviewing the advice from the independent financial adviser) consider that (i) the entering into of the Deed of Modification which allows the Group to early exercise the Exchangeable Bonds, (ii) the Proposed Exercise which would not affect the Application, and (iii) the Put Option Deed, the exercise of which would provide the Group an exit in the event that the Guaranteed Profit is not met, are fair and reasonable and the Proposed Transactions is in the interests of the Company and the Shareholders as a whole.

Bartha Holdings is owned as to 85.25% by CVP Holdings, which, in turn is wholly-owned by Mr. Ting. Accordingly, Mr. Ting has material interest under the Proposed Transactions and has abstained from voting on the relevant issues at the Board meeting for approving the Proposed Transactions.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Ting, being an executive Director, the chairman of the Board and the controlling Shareholder, is a connected person of the Company. As Bartha Holdings is owned as to 85.25% by CVP Holdings, which, in turn is wholly-owned by Mr. Ting, Bartha Holdings is an associate of Mr. Ting and therefore a connected person of the Company. Accordingly, the Proposed Transactions constitute connected transactions on the part of the Company under the GEM Listing Rules.

As certain applicable percentage ratios for the Proposed Exercise are more than 25% but less than 100%, the Proposed Exercise constitutes a major transaction on the part of the Company under the GEM Listing Rules, and therefore is subject to reporting, announcement and Independent Shareholders' approval requirements.

As Mr. Ting is having material interest in the Proposed Transactions, Mr. Ting and his associates are required to abstain from voting on the resolution(s) at the EGM to approve the Proposed Transactions at the EGM. As at the date of this announcement, Mr. Ting and his associates are, directly and indirectly, in aggregate, interested in 1,968,000,000 Shares, representing approximately 49.2% of the issued share capital of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness in respect of the Proposed Transactions. The Company has appointed Red Sun Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regards.

EGM

The EGM will be held and convened to consider and, if thought fit, to approve, among other things, the Proposed Transactions and the transactions contemplated thereunder.

A circular containing, among other matters, further details of the Proposed Transactions, the recommendation of the Independent Board Committee to the Independent Shareholders, the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the financial information of the Target Group and a notice to convene the EGM will be despatched to the Shareholders on or before 28 December 2017 as more time is required to prepare the information to be included in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Amendment”	the proposed amendment in relation to the exchange period of the Exchangeable Bonds pursuant to the Deed of Modification
“associates”	has the meaning ascribed to that term under the GEM Listing Rules
“Bartha Group”	together, Bartha International and Eternal Pearl
“Bartha Holdings”	Bartha Holdings Limited, a company incorporated in Hong Kong with limited liability, which owns the entire issued share capital of Bartha International and the issuer of the Exchangeable Bonds
“Bartha International”	Bartha International Limited, a company incorporated in Hong Kong with limited liability, the sole shareholder of Eternal Pearl
“Bartha Share(s)”	share(s) of Bartha International
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Circular”	the circular of the Company dated 30 June 2017 in relation to, among other things, the issue of the Exchangeable Bonds
“Company”	Madison Holdings Group Limited, a company incorporated in the Cayman Islands, whose Shares are listed on GEM (Stock code: 8057)
“connected person(s)”	has the meaning ascribed to that term under the GEM Listing Rules
“connected transaction”	has the meaning ascribed to that term under the GEM Listing Rules

“CVP Financial”	CVP Financial Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect non wholly-owned subsidiary of the Company, the holder of the Exchangeable Bonds
“CVP Holdings”	CVP Holdings Limited, a company incorporated in Hong Kong with limited liability, the controlling shareholder of Bartha Holdings
“Deed of Modification”	the deed dated 17 November 2017 entered into between CVP Financial and Bartha Holdings in relation to the Amendment
“Director(s)”	the director(s) of the Company
“EB Conditions”	the terms and conditions of the Exchangeable Bond
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Proposed Transactions and the transactions contemplated thereunder
“Eternal Pearl”	Eternal Pearl Securities Limited, a company incorporated in Hong Kong with limited liability, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO
“Exchange Rights”	the rights of the holder of the Exchangeable Bonds to exchange the principal amount of the Exchangeable Bonds into Bartha Shares which are beneficially owned by Bartha Holdings as at the date of exercising of the Exchange Rights
“Exchangeable Bonds”	the exchangeable bonds issued by Bartha Holdings to CVP Financial, which entitle CVP Financial to exchange for the entire issued share capital of Bartha International as at the date of exercising the Exchange Rights
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Proposed Transactions
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or subsidiaries of the Company or any of their respective associates
“JV Securities Company”	a full-licensed joint venture securities company to be set up by Eternal Pearl and several other co-investors in Guangzhou Pilot Free Trade Zone, Nansha area in the PRC
“Loan Capitalisation”	the subscription of shares in Bartha International by Bartha Holdings by capitalising all the indebtedness due by Bartha International to Bartha Holdings and its associates
“Maturity Date”	the maturity date of the Exchangeable Bonds, being the date falling on the last day of the 60th month from the date of issue of the Exchangeable Bonds
“Mr. Ting”	Mr. Ting Pang Wan Raymond, an executive Director, chairman of the Board and an indirect substantial shareholder of Bartha Holdings
“Original Exchange Period”	the period from 3 years from the date of issue of the Exchangeable Bonds up to and including the Maturity Date, during which the Exchangeable Bonds can be exercised pursuant to the EB Conditions
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Exercise”	the proposed exercise of the Exchange Rights attached to the Exchangeable Bonds to exchange for 49% equity interest in Bartha International by CVP Financial

“Proposed Transactions”	collectively, the entering into of the Deed of Modifications and the Proposed Exercise
“Put Option”	the option to be granted by Bartha Holdings to CVP Financial pursuant to which CVP Financial shall have the right to require Bartha Holdings to purchase from it all the Bartha Shares held by it immediately prior to exercise of the Put Option
“Put Option Deed”	the deed to be entered into upon the Deed of Modification having become effective between CVP Financial and Bartha Holdings in respect of the grant of right of the Put Option
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Exchangeable Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement (as supplemented by the supplemental agreement dated 28 June 2017) entered into between Bartha Holdings and CVP Financial dated 17 February 2017 in relation to the Subscription of the Exchangeable Bonds
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Madison Holdings Group Limited
Ting Pang Wan Raymond
Chairman and executive Director

Hong Kong, 17 November 2017

As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond, Mr. Zhu Qin, Mr. Teoh Ronnie Chee Keong and Ms. Kuo Kwan; and the independent non-executive Directors are Ms. Fan Wei, Mr. Chu Kin Wang Peleus and Mr. Ip Cho Yin, J.P.

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the website of the Company at www.madison-wine.com.