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MADISON

— G R O U P —

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)

BUSINESS UPDATE AND SUPPLEMENTAL INFORMATION ON CHANGE IN USE OF PROCEEDS

BUSINESS UPDATE

The Board is pleased to announce that, on 16 August 2018, 17 August 2018, 23 August 2018, 30 August 2018 and 3 September 2018, CVP Investment acquired on-market 320,100 RP Shares, 93,100 RP Shares, 100,000 RP Shares, 182,700 RP Shares and 107,000 RP Shares, representing in aggregate of approximately 1.41% of the entire issued share capital of Remixpoint, based on 57,056,200 issued RP Shares as at 24 September 2018, according to publicly available information, at the purchase price of approximately JPY903.35, JPY935.10, JPY1,014.82, JPY1,084.60 and JPY1,096.23 per RP Share, respectively. The aggregate consideration of the RP Acquisitions was approximately JPY793,156,890 (equivalent to approximately HK\$56.02 million) (excluding transaction costs), which was payable in cash on settlement and financed by the net proceeds from the Placing.

IMPLICATIONS UNDER THE GEM LISTING RULES

The relevant applicable percentage ratios (as defined under the GEM Listing Rules) for (i) each of the RP Acquisitions, and (ii) the RP Acquisitions, when aggregated, are less than 5%, and therefore the RP Acquisitions do not constitute a discloseable transaction on the part of the Company and are not subject to any disclosure requirements pursuant to Chapter 19 of the GEM Listing Rules.

UPDATE ON THE NET PROCEEDS

As at the date of this announcement, approximately HK\$56.56 million from the net proceeds of the Placing was utilised for the RP Acquisitions. The Board has resolved that the remaining balance of the net proceeds of approximately HK\$60.53 million will be applied for investment in company(ies) carrying on business similar to BITPoint. The Company is currently in negotiation with an Independent Third Party for the terms of such investment and will make further announcement to provide details of such investment when it materialises.

Since no legally-binding agreement is entered into, such investment may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. If such investment does not materialise, the Company make further announcement to update the use of proceeds.

Reference is made to the Announcement in relation to the termination of the acquisition of 20% equity interest in BITPoint and the change in use of proceeds from the Placing.

As disclosed in the Announcement, the Board has resolved that the net proceeds of approximately HK\$117.10 million will be changed for investment in company(ies) carrying on business similar to BITPoint. The Board would like provide an update on the potential acquisition(s) and the application of the net proceeds from the Placing.

BUSINESS UPDATE

RP Acquisitions

The Board is pleased to announce that, on 16 August 2018, 17 August 2018, 23 August 2018, 30 August 2018 and 3 September 2018, CVP Investment acquired on-market 320,100 RP Shares, 93,100 RP Shares, 100,000 RP Shares, 182,700 RP Shares and 107,000 RP Shares, representing in aggregate of approximately 1.41% of the entire issued share capital of Remixpoint, based on 57,056,200 issued RP Shares as at 24 September 2018, according to publicly available information, at the purchase price of approximately JPY903.35, JPY935.10, JPY1,014.82, JPY1,084.60 and JPY1,096.23 per RP Share, respectively, for an aggregate purchase price of JPY793,156,890 (equivalent to approximately HK\$56.02 million), excluding transaction costs.

As the RP Acquisitions were made in the open market, the Company is not aware of the identity of the seller(s) of the RP Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the seller(s) of the RP Shares and its (their) respective ultimate beneficial owner(s) is (are) Independent Third Party(ies).

Consideration

The aggregate consideration of the RP Acquisitions was approximately JPY793,156,890 (equivalent to approximately HK\$56.02 million) (excluding transaction costs), which was payable in cash on settlement and financed by the net proceeds from the Placing. The consideration of the RP Acquisitions was determined by the market price of the RP Shares on the date of the acquisition. The Directors are of the view that the RP Acquisitions are fair and reasonable and are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE RP ACQUISITIONS

The Group is principally engaged in (i) the retail sales and wholesales of wine products and other alcoholic beverages, (ii) the provision of financial services including corporate financial advisory services and asset management services; and (iii) cryptocurrency mining business in Asia and Europe.

Remixpoint is a company incorporated in Japan whose issued shares are listed on the Tokyo Stock Exchange and is mainly engaged in energy-related business and automotive business. It is also engaged in virtual currency trading platform business and hotel-related business through its subsidiaries.

Since the completion of acquisition of 51% equity of Diginex High Performance Computing Limited, a company engaging in cryptocurrency mining in Asia and Europe, the Company has commenced the exploration of Blockchain technology related business opportunities. The Directors are optimistic with the future prospect of blockchain development and its commercial application. In addition, as stated in the Company's annual report for the year ended 31 March 2018, the acquisitions and subscription of shares in licensed corporations has diversified the Group's business and brought financial benefits to the Group. The Directors are also optimistic with the future prospect of financial sector and will keep looking for opportunities to diversify its business and strengthen its position in Hong Kong and overseas.

Having considered that (i) the RP Shares are listed securities with higher liquidity than the shares of BITPoint; (ii) the Company is optimistic with the future prospects of Remixpoint, the holding company of BITPoint, whose principal business includes, among others, the operation of a virtual currency trading platform in Japan; and (iii) the Company may receive dividends as a shareholder of Remixpoint, which has declared dividend of JPY 1.0, JPY 0.5 and JPY 1.0 per RP Share respectively in each of the three financial years ended 31 March 2016, 2017 and 2018, the Board believes that investment in the RP Shares would bring more flexibility and financial benefits to the Company than in acquiring the equity interest in BITPoint.

IMPLICATIONS UNDER THE GEM LISTING RULES

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UPDATE ON THE NET PROCEEDS

As at the date of this announcement, approximately HK\$56.56 million from the net proceeds of the Placing was utilised for the RP Acquisitions. The Board has resolved that the remaining balance of the net proceeds of approximately HK\$60.53 million will be applied for investment in company(ies) carrying on business similar to BITPoint. The Company is currently in negotiation with an Independent Third Party for the terms of such investment and will make further announcement to provide details of such investment when it materialises.

Since no legally-binding agreement is entered into, such investment may or may not materialise. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. If such investment does not materialise, the Company make further announcement to further update the use of proceeds.

DEFINITIONS

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

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| “Announcement” | the announcement of the Company dated 2 August 2018 in relation to the termination of the acquisition of 20% equity interest in BITPoint and the change in use of proceeds from the Placing |
| “associates” | has the meaning ascribed to it under the GEM Listing Rules |
| “BITPoint” | BITPoint Japan Company Limited, a company carrying on virtual currency trading platform in Japan |
| “Board” | the board of Directors |
| “CVP Investment” | CVP Investment Holdings Limited, an indirect non-wholly owned subsidiary of the Company incorporated in Hong Kong |

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| “Company” | Madison Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange |
| “Directors” | directors of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “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 |
| “Placing” | the placing of up to 71,000,000 new Shares |
| “Remixpoint” | Remixpoint, Inc., a company incorporated in Japan and whose shares are listed on the Tokyo Stock Exchange (stock code: 3825) |
| “RP Acquisitions” | the acquisitions of a total of 802,900 RP Shares by CVP Investment |
| “RP Shares” | shares of Remixpoint which are listed on the Tokyo Stock Exchange |
| “Share(s)” | the issued ordinary share in the share capital of the Company |
| “Shareholder(s)” | holders of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “JPY” | Japanese yen, the lawful currency of Japan |
| “%” | per cent. |

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

Hong Kong, 24 September 2018

As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond, Mr. Zhu Qin, Mr. Teoh Ronnie Chee Keong, Ms. Kuo Kwan and Mr. Xiong Hu; 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-group.com.hk