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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)

VOLUNTARY ANNOUNCEMENT THE ENTERING INTO OF THE NON-LEGALLY BINDING MOU IN RESPECT OF THE PROPOSED ACQUISITION

This announcement is made voluntarily by the Madison Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

THE PROPOSED ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 27 September 2018, Madison Lab Limited, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”), entered into the non-legally binding memorandum of understanding (the “**MOU**”) with an independent third party (the “**Vendor**”), pursuant to which (i) the Purchaser intends to acquire and the Vendor intends to sell 672 shares of a company, being one of the 16 virtual currency exchange operators registered with the Financial Services Agency of Japan which conducts virtual currency trading platform business in Japan (the “**Target Company**”), representing 67.2% of the entire issued share capital of the Target Company as at the date of this announcement (the “**Proposed Acquisition**”); and (ii) the Vendor intends to grant to the Purchaser an option with a right to further acquire 68 shares of the Target Company (the “**Option**”), representing 6.8% of the entire issued share capital of the Target Company as at the date of this announcement, which can be exercised within three months from the completion date of the Proposed Acquisition.

The consideration for the Proposed Acquisition and the Option will be subject to further negotiation between the parties to the MOU and is expected to be satisfied by the Purchaser partly by way of cash and partly by procuring the Company to allot and issue new shares of the Company (the “**Consideration Shares**”).

Completion of the Proposed Acquisition is conditional upon, inter alia:

- (a) the Purchaser having satisfied with the results of the due diligence over the business of Target Company;
- (b) the Proposed Acquisition having been approved by the Financial Services Agency of Japan;
- (c) the Listing Committee having granted or having agreed to grant the listing of, and permission to deal in, the Consideration Shares; and
- (d) the representative director of the Target Company having approved the Proposed Acquisition and a document evidencing such approval having been submitted by the Vendor to the Purchaser.

In consideration of the Purchaser committing time and expense to its due diligence review and negotiating the Proposed Acquisition, the Vendor grants the Purchaser an exclusivity period from the date of the MOU until and including 31 December 2018.

The MOU shall be terminated by either party with 90 days' written notice. Save for the provision in relation to confidentiality, the MOU shall have no further effect upon termination.

Save for the provisions relating to termination, exclusivity, confidentiality, the governing law and jurisdiction of the MOU, all other terms of the MOU are non-legally binding.

The Company anticipates that virtual currencies will eliminate the need for card or cash to enable transactions in future. In view of the historical and expected growth of virtual currency globally, together with the regulatory framework in Japan, the Directors are optimistic with the development of virtual currency trading platforms. The Directors believe that development in virtual currency trading platform is at the early stage and have great potentials.

Shareholders and potential investors of the Company should be aware that the terms of the Proposed Acquisition are subject to further negotiation between the parties to the MOU. The Board wishes to emphasise that no legally binding agreement has been entered into by the parties to the MOU as at the date of this announcement. As such, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

If the formal agreement is entered into between the parties to the MOU, the Proposed Acquisition shall constitute a share transaction of the Company under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), and further announcement(s) will be made by the Company in compliance with the GEM Listing Rules.

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

Hong Kong, 27 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.