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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)

INSIDE INFORMATION

POTENTIAL DISPOSAL OF 51% EQUITY INTEREST IN A WHOLLY-OWNED SUBSIDIARY AND BUSINESS COLLABORATION

This announcement is made by the Madison Holdings Group Limited (the “**Company**”) pursuant to Rule 17.10(1) of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Potential Disposal

The Board announces that pursuant to a memorandum of understanding entered into between the Company and HDR Cadenza Management Limited (“**HDR**”), a close associate (as defined in the GEM Listing Rules) of HDR Global Trading Limited, on 11 December 2018 (the “**MOU**”), subject to and upon finalization and signing of definitive agreements, HDR will grant a put option to the Company and the Company will grant a call option to HDR. Pursuant to the exercise of either option, HDR shall acquire such number of shares in Madison Lab Limited (“**Madison Lab**”) representing 51% of the entire issued share capital of Madison Lab (the “**Potential Disposal**”). The indicative consideration for the Potential Disposal intended by the parties is approximately US\$17.14 million (approximately HK\$133.69 million), subject to various adjustments and payment arrangements.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, HDR and its ultimate beneficial owners are independent third parties and not connected persons (as defined under the GEM Listing Rules) of the Company.

Madison Lab, an investment holding company, is indirectly and wholly-owned by the Company, which has entered into an agreement in respect of the potential acquisition of 67.2% interest in 株式会社BITOCEAN (BITOCEAN Co., Ltd.) (the “**Potential Acquisition**”), a company incorporated in Japan with limited liability (the “**Target Company**”) and is one of the 16 virtual currency trading platform operators currently registered with the Financial Services Agency of Japan. Further information in relation to the Target Company has been set out in the announcements of the Company dated 20 November 2018 and 9 December 2018 in relation to, among others, the Potential Acquisition.

As at the date of this announcement, it is intended that completion of the Potential Disposal will be conditional upon, among others: (i) completion of the Potential Acquisition having occurred; and (ii) all regulatory consents, approvals, filings etc. required for the consummation of the Potential Acquisition and Potential Disposal having been made or obtained and not having been revoked or withdrawn. The definitive terms and conditions of the Potential Disposal will be determined by the parties in the final agreement (the “**Disposal Final Agreement**”). Further announcement(s) in respect of the Disposal Final Agreement will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

Potential Business Collaboration

The Company and HDR intend to work together following completion of the Potential Disposal to develop and establish policies and procedures of the Target Company that will promote and sustain a market for a fully registered Japanese virtual currency exchange that offers both spot and derivatives trading, and intend to maintain a product and/or services of the Target Company that meets all business and industry standards.

Term and exclusivity

Subject to the right of termination by either the Company or HDR by 90 days advance written notice to the other party, the term of the MOU shall be 4 months from the date of the MOU, provided that if there is an ongoing approval process in respect of regulatory consents, approvals, filings etc. required for the consummation of the Potential Acquisition, the term of the MOU shall be for a period of 6 months from the date of the MOU (“**Term**”). Unless extended upon written mutual agreement of both the Company and HDR, the MOU shall automatically terminate on the date of expiry of the Term.

Each of the Company and HDR agrees, among others, not to enter into or encourage discussions or negotiations with any other party in relation to the possible acquisition of an interest in the shares or any substantial part of the assets of the Target Company or Madison Lab or any subsidiary of the Target Company, or be involved in any transaction in relation to the Target Company or any of its subsidiaries or Madison Lab or their business having a similar effect as described above, until the earlier of (i) the date on which the Disposal Final Agreement is executed; and (ii) the expiry or termination of the MOU, unless otherwise agreed by the Company and HDR.

Shareholders and potential investors of the Company should be aware that the terms of the Potential Disposal are subject to further negotiation between the parties to the Agreement and to the execution of the Disposal Final Agreement. As such, the Potential Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.80. The exchange rate is used for illustration purposes only and should not be taken as a representation that the HK\$ amount could actually be converted into US\$ at that rate, or at all.

Hong Kong, 11 December 2018

As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond, Mr. Zhu Qin 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 (other than for information relating to HDR and the Target Company), 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 announcement (other than for information relating to HDR and the Target Company) 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 <https://www.madison-group.com.hk>.