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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 REGARDING THE ENTERING INTO A NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN RESPECT OF A POTENTIAL BUSINESS COLLABORATION**

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

### **THE POTENTIAL BUSINESS COLLABORATION**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 11 March 2019, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a jeepney manufacturer/importer and a jeepney operation company in the Philippines, which are independent third parties, pursuant to which the parties to the MOU (the “**Parties**”) intend to exclusively supply electric jeepneys and provide financial and blockchain related services to the jeepney operation company in the Philippines (the “**Potential Business Collaboration**”).

Jeepneys, an iconic symbol in the Philippines, represent the most popular form of public transport throughout the country, contributing approximately 49,000,000 trips to Metro Manila in 2017.

As a result of environmental and inefficiency concerns regarding public transport in the Philippines, the Department of Transport (“**DoT**”) launched the Public Utility Vehicle Modernization Program (the “**Program**”) in 2017. Under the Program, public utility jeepneys that are at least 15 years old are required to be replaced with new and environmentally friendly jeepneys, a majority of which are anticipated to be electric powered vehicles. According to DoT, there were 180,000 registered jeepneys in the Philippines in 2017, 90% of which were more than 15 years old.

In light of the Program, the Directors are of the view that there would be a significant demand for electric jeepneys in 2019 and beyond, and have therefore entered into the MOU to distribute electric jeepneys in the Philippines. The Directors estimate that approximately 50,000 electric jeepneys, carrying a unique passenger number of 10,000,000 to 15,000,000 per day, would be exclusively distributed as part of Potential Business Collaboration. In addition, the Directors anticipate that the Potential Business Collaboration could bring meaningful synergies with its financial services business (by offering lease financing services) and blockchain related business, including offering a cryptocurrency fare payment system and a range of other consumer services to the anticipated large number of jeepney patrons.

The Potential Business Collaboration is an example of the Company’s unique position to leverage its complementary financial services and blockchain businesses as well as its strong relationship network across key geographies in Asia to identify profitable business opportunities, which in turn are expected to drive long term shareholder value.

The MOU shall be terminated by either party with written notice. Save for the exclusivity and confidentiality provisions, 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.

### **About the Program**

The Jeepney, an iconic symbol in the Philippines, represents the most popular form of public transport throughout the country which, according to a report published by the Metropolitan Manila Development Authority, public utility jeepneys contributed to approximately 49,000,000 trips in Metro Manila in 2017.

As a popular mode of transport since the 1950s, the majority of existing jeepneys are outdated and diesel-driven, resulting in a significant source of air pollution. According to the DoT, transportation is one of the largest sources of air pollution and energy-related greenhouse gases emission in the Philippines, which contributed approximately 34% of total emissions in the Philippines. In addition, Metro Manila is one of the most polluted cities in the world with 17% of air pollution in Metro Manila being caused by jeepneys.

In response to these environmental concerns, as well as inefficiencies and safety of the public transportation system in the Philippines, DoT launched the Program in 2017 with an objective to make the public transportation system of the Philippines safer, more efficient and environmentally friendly. Under the Program, public utility jeepneys of at least 15 years old are required to be replaced with new and environmentally friendly jeepneys, a majority of which are anticipated to be electric powered vehicles. According to DoT, there were 180,000 registered jeepneys in the Philippines in 2017, 90% of which were more than 15 years old.

**Shareholders and potential investors of the Company should be aware that the terms of the Potential Business Collaboration 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 Potential Business Collaboration may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

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

Hong Kong, 11 March 2019

*As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond, Mr. Zhu Qin, Ms. Kuo Kwan and Mr. Zhou Francis Bingrong; the non-executive Director is Mr. Ip Cho Yin, J.P.; and the independent non-executive Directors are Ms. Fan Wei and Mr. Chu Kin Wang Peleus.*

*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](http://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](http://www.madison-group.com.hk).*