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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)

COMPLETION OF THE ACQUISITIONS OF 77% INTEREST IN A TARGET COMPANY AND ISSUANCE OF THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

References are made (i) the announcements of Madison Holdings Group Limited (the “**Company**”) dated 23 October 2018, 20 November 2018, 10 January 2019, and 11 February 2019 (collectively referred to as the “**Announcements**”) and the circular of the Company dated 13 March 2019 (the “**Circular**”) in relation to the Acquisitions (including the proposed issuance of Consideration Shares under the Specific Mandate) and the Whitewash Waiver; (ii) the announcements of the Company dated 10 December 2018, 28 February 2019 and 13 March 2019 in relation to the delay in and despatch of the Circular; (iii) the notice of the EGM dated 13 March 2019; and (iv) the announcement of the Company dated 29 March 2019 in relation to the poll results of the EGM and the grant of the Whitewash Waiver. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITIONS OF 77% INTEREST IN A TARGET COMPANY AND ISSUANCE OF THE CONSIDERATION SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that all the conditions precedent under the Agreements as set out in the section headed “Conditions to the Completion for each of the CVP Agreement and SRA Agreement” in the Circular have been fulfilled, and Completion of each of the CVP Acquisition and SRA Acquisition took place on 29 March 2019. At Completion, 504,872,727 CVP Consideration Shares and 404,545,454 SRA Consideration Shares were duly allotted and issued as fully paid to CVP and SRA respectively, in each case at the Issue Price of HK\$0.55 per Consideration Share under the Specific Mandate granted by Independent Shareholders at the EGM held on 29 March 2019, and the Promissory Note was issued to CVP.

EFFECT OF THE ISSUANCE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholder structure of the Company (i) immediately prior to the Completion; (ii) immediately after Completion (i.e. immediately after the issuance of all Consideration Shares); and (iii) immediately after Completion (i.e. immediately after the issuance of all Consideration Shares (assuming all options granted to CVP and parties acting in concert with it and Bartha Convertible Bonds are all exercised)):

	Immediately prior to the Completion		Immediately after Completion (i.e. immediately after the issuance of all Consideration Shares)		Immediately after Completion (i.e. immediately after the issuance of all Consideration Shares (assuming the options granted to CVP and parties acting in concert with it and Bartha Convertible Bonds are all exercised)) ^(Notes 4 & 5)	
	Number of Shares	Approx. % ⁽²⁾	Number of Shares	Approx. % ⁽³⁾	Number of Shares	Approx. % ⁽⁶⁾
CVP and parties acting in concert with it						
CVP and parties acting in concert with it (excluding SRA) ⁽¹⁾	1,982,044,000	46.27	2,486,916,727	47.89	2,642,180,363	49.41
SRA	42,500,000	0.99	447,045,454	8.61	447,045,454	8.36
Sub-total	2,024,544,000	47.27	2,933,962,181	56.50	3,089,225,817	57.76
Public Shareholders	2,258,764,717	52.73	2,258,764,717	43.50	2,258,764,717	42.24
Total	<u>4,283,308,717</u>	<u>100</u>	<u>5,192,726,898</u>	<u>100</u>	<u>5,347,990,534</u>	<u>100</u>

Notes:

1. CVP is directly, legally and beneficially wholly-owned by Mr. Ting. Mr. Ting is deemed to be interested in 1,968,000,000 Shares, 12,172,000 Shares and 1,872,000 Shares held by Royal Spectrum, Kaiser Capital and Highgrade, respectively and 504,872,727 CVP Consideration Shares to be issued to CVP upon Completion, given (i) Royal Spectrum is legally and beneficially owned as to 96.63% by Devoss Global, (which, in turn, is legally and beneficially wholly-owned by Mr. Ting,) and 3.37% by Montrachet; and (ii) each of CVP, Kaiser Capital and Highgrade is directly, legally and beneficially wholly-owned by Mr. Ting.
2. The percentage was calculated on the basis of 4,283,308,717 Shares in issue as at the date of this announcement and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
3. The percentage was calculated on the enlarged issued share capital of the Company as a result of the issuance of the Consideration Shares comprising a total of 909,418,181 Shares and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
4. The Company granted the following share options to CVP and parties acting in concert with it:
 - i. On 17 December 2015, the Company granted options to Devoss Global, a company legally and beneficially wholly-owned by Mr. Ting. After the share subdivision of the Company in 2016, adjustment was made on 8 November 2016 to the terms of the share options, such that Devoss Global is entitled to subscribe for 6,000,000 new Shares at an exercise price of HK\$0.80 per Share;
 - ii. On 3 April 2018, the Company granted a total of 12,900,000 share options entitling the following persons to subscribe for a total of 12,900,000 Shares at the exercise price of HK\$1.89 per Share:
 - a) 2,000,000 share options (carrying the right to subscribe for 2,000,000 Shares) were granted to Mr. Zhu Qin in his capacity as an executive Director;
 - b) 5,000,000 share options (carrying the right to subscribe for 5,000,000 Shares) were granted to Mr. Zhou Francis Bingrong in his then capacity as a consultant of the Company. He was subsequently re-appointed as an executive Director on 7 January 2019;
 - c) 5,000,000 share options (carrying the right to subscribe for 5,000,000 Shares) were granted to Ms. Kuo Kwan in her capacity as an executive Director;
 - d) 300,000 share options (carrying the right to subscribe for 300,000 Shares) were granted to Ms. Fan in her capacity as an independent non-executive Director;
 - e) 300,000 share options (carrying the right to subscribe for 300,000 Shares) were granted to Mr. Chu in his capacity as an independent non-executive Director; and
 - f) 300,000 share options (carrying the right to subscribe for 300,000 Shares) were granted to Mr. Ip in his capacity as an independent non-executive Director. He was re-designated to a non-executive Director on 7 March 2019;

As at the date of this announcement, none of the above share options was exercised.

5. On 17 February 2017, CVP Financial (formerly known as Perfect Zone Holdings Limited) and Bartha Holdings entered into a subscription agreement in respect of the subscription of exchangeable bonds issued by Bartha Holdings, which would entitle CVP Financial to exchange for the entire issued share capital of Bartha International as at the date of exercising the exchange rights under the exchangeable bonds. The consideration for the exchangeable bonds was satisfied by the Company issuing the Bartha Convertible Bonds in the principal amount of HK\$150,000,000 to Bartha Holdings on 28 July 2017, which are convertible into 136,363,636 Shares at the conversion price of HK\$1.1 per Share (the “**Bartha Convertible Bonds**”). As at the date of this announcement, CVP Financial has exercised 49% of the exchange rights under the exchangeable bonds on 28 July 2017 and obtained 4,900 shares in Bartha International as a result. None of the conversion rights under the Bartha Convertible Bonds has been exercised.
6. The percentage was calculated on the enlarged issued share capital of the Company as a result of the issuance of (a) the Consideration Shares comprising a total of 909,418,181 Shares, (b) 18,900,000 Shares upon the exercise of all outstanding options granted by the Company to CVP and parties acting in concert with it, and (c) 136,363,636 Shares to be issued upon full conversion of the Bartha Convertible Bonds at the conversion price of HK\$1.1 per conversion share and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.

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

Hong Kong, 29 March 2019

As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond, Mr. Zhu Qin, Mr. Zhou Francis Bingrong and Ms. Kuo Kwan; 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.madison-group.com.hk>.