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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)

PROFIT WARNING

This announcement is made by Madison Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board and the preliminary review on the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2019, the Group is expected to record a loss attributable to the owners of the Company of not more than HK\$343.9 million for the nine months ended 31 December 2019. The anticipated increase in loss as compared to that for the nine months ended 31 December 2018 was mainly due to (i) the impairment loss for the goodwill of Diginex High Performance Computing Limited (“**Diginex HPC**”) as well as plant and equipment of Diginex HPC and High Performance Computing Nordic AB; and (ii) the temporary suspension of the cryptocurrency mining business. The impairment loss is mainly attributable to Diginex HPC’s failure to meet its business projection, in particular, no high performance computing contract was materialised during the nine months ended 31 December 2019.

The information contained in this announcement is only based on the preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2019 and the information currently available to the Board, which have not been audited or reviewed by the Company's independent auditor and the audit committee of the Company as at the date of this announcement and may be subject to adjustments upon further review. The Company is in the process of finalising the unaudited consolidated financial results of the Group for the nine months ended 31 December 2019 (the "**Third Quarterly Results**"). Details of the Group's financial information and performance will be disclosed in the Third Quarterly Results announcement of the Company, which is expected to be released on 10 February 2020. Shareholders and potential investors are advised to read carefully the Third Quarterly Results announcement of the Company when it is published.

Shareholders and potential investors are advised to exercise caution in dealing in the securities of the Company.

By order of the Board
Madison Holdings Group Limited
Chen Ying-chieh
Chairman and executive Director

Hong Kong, 4 February 2020

As at the date of this announcement, the executive Directors are Mr. Chen Ying-chieh, Mr. Hankoo Kim, Ms. Kuo Kwan and Mr. Zhang Li; the non-executive Directors are Mr. Ip Cho Yin J.P. and Mr. Ji Zuguang; and the independent non-executive Directors are Ms. Fan Wei, Mr. Chu Kin Wang Peleus and Dr. Lau Reimer, Mary Jean.

This announcement, for which the Directors collectively and individually accept full responsibility, 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 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 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>.