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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: 08057)

COMPLETION OF THE GRANT OF OPTION UNDER SPECIFIC MANDATE

The Board is pleased to announce that all conditions precedent set out in the Second Option Agreement have been fulfilled and the Option, entitling the holder thereof to require the Company to allot and issue up to a maximum of 85,922,330 Option Shares at the Option Price of HK\$1.03 per Option Share, was granted by the Company to SRA on 5 December 2023 in accordance with the terms and conditions of the Second Option Agreement.

The Board is also pleased to announce that all conditions precedent set out in the Second Loan Extension Agreement have been fulfilled and the Further Loan Extension has become unconditional, upon which the maturity date of the Loan owed by Wine Financier, being an indirect non-wholly owned subsidiary of the Company, to SRA has been further extended to 30 September 2024.

References are made to (i) the announcement of Madison Holdings Group Limited (the “**Company**”) dated 3 October 2023 and the circular of the Company dated 7 November 2023 (the “**Circular**”) in relation to, among others, the grant of Option; and (ii) the announcement of the Company dated 24 November 2023 in relation to the poll results of the EGM. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE GRANT OF OPTION UNDER SPECIFIC MANDATE

The Board is pleased to announce that all conditions precedent set out in the Second Option Agreement have been fulfilled and the Option, entitling the holder thereof to require the Company to allot and issue up to a maximum of 85,922,330 Option Shares at the Option Price of HK\$1.03 per Option Share, was granted by the Company to SRA on 5 December 2023 in accordance with the terms and conditions of the Second Option Agreement.

Assuming the full exercise of the Option by SRA and the Option Price to be payable by SRA is fully set-off against the principal amount of the Loan on a dollar-for-dollar basis upon the exercise of the Option, no proceeds will be received by the Company upon the exercise of the Option.

Assuming the full exercise of the Option by SRA and the Option Price for the 85,922,330 Option Shares are paid by SRA in cash, the gross proceeds from the grant of Option is expected to be HK\$88,500,000. The net proceeds from the grant of Option (after deducting the estimated expenses) is expected to be approximately HK\$88,300,000. The net issue price per Option Share from the grant of Option will be approximately HK\$1.03. The Company intends to use the net proceeds from the grant of Option towards the repayment of the Loan and the interests accrued thereon, and other outstanding loans and borrowings of the Group, the repayment priority of which shall be determined based on the respective maturity dates and interest rates under the Loan and such other outstanding loans and borrowings of the Group.

FURTHER LOAN EXTENSION

The Board is also pleased to announce that all conditions precedent set out in the Second Loan Extension Agreement have been fulfilled and the Further Loan Extension has become unconditional, upon which the maturity date of the Loan owed by Wine Financier, being an indirect non-wholly owned subsidiary of the Company, to SRA has been further extended to 30 September 2024.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Option Shares in full (assuming there being no other changes in the share capital of the Company between the date of this announcement and the full exercise of the Option).

Name of Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Option Shares in full (assuming there being no other changes in the share capital of the Company between the date of this announcement and the full exercise of the Option)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Royal Spectrum Holding Company Limited (“ Royal Spectrum ”) <i>(Notes 1 and 2)</i>	195,920,000	31.44%	195,920,000	27.63%
CVP Financial Group Limited (“ CVP Financial ”) <i>(Note 2)</i>	50,487,272	8.10%	50,487,272	7.12%
Mr. Ting Pang Wan Raymond (“ Mr. Ting ”) <i>(Notes 1 and 2)</i>	10,193,243	1.64%	10,193,243	1.44%
Kaiser Capital Holdings Limited (“ Kaiser Capital ”) <i>(Note 2)</i>	1,217,200	0.20%	1,217,200	0.17%
Highgrade Holding Limited (“ Highgrade Holding ”) <i>(Note 2)</i>	1,067,200	0.17%	1,067,200	0.15%
Plan Marvel Investment Limited (“ Plan Marvel ”) <i>(Note 2)</i>	208,978	0.03%	208,978	0.03%
Atlantis Investment Management Limited (“ Atlantis Investment ”) <i>(Note 3)</i>	68,224,500	10.95%	68,224,500	9.62%
Software Research Associates, Inc. <i>(Note 4)</i>	40,454,545	6.49%	40,454,545	5.71%
SRA <i>(Note 4)</i>	–	–	85,922,330	12.12%
Public Shareholders	<u>255,354,289</u>	<u>40.98%</u>	<u>255,354,289</u>	<u>36.01%</u>
Total:	<u><u>623,127,227</u></u>	<u><u>100.00%</u></u>	<u><u>709,049,557</u></u>	<u><u>100.00%</u></u>

Notes:

1. The entire issued share capital in Royal Spectrum is legally and beneficially owned as to 96.63% by Devoss Global Holdings Limited (the “**Devoss Global**”) and 3.37% by Zhu Qin respectively. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum under Part XV of the SFO.
2. Each of Devoss Global, CVP Financial, Kaiser Capital, Highgrade Holding and Plan Marvel is wholly-owned by Mr. Ting. Mr. Ting is deemed to be interested in 248,900,650 Shares, representing approximately 39.94% of the issued share capital of the Company, held by Devoss Global, CVP Financial, Kaiser Capital, Highgrade Holding and Plan Marvel under Part XV of the SFO.
3. Based on the notices of disclosure of interest filed by Atlantis Capital Group Holdings Limited (“**ACGHL**”) and Ms. Liu Yang on 14 January 2022 respectively, Atlantis Investment is wholly-owned by ACGHL, which in turn is wholly-owned by Ms. Liu Yang. As such, ACGHL and Ms. Liu Yang are both deemed to be interested in 68,224,500 Shares, representing approximately 10.95% of the issued share capital of the Company, held by Atlantis Investment under Part XV of the SFO.
4. Software Research Associates, Inc. is a direct wholly-owned subsidiary of SRA. As such, SRA is deemed to be interested in the Shares in which Software Research Associates, Inc. is interested in under Part XV of the SFO.
5. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

By order of the Board
Madison Holdings Group Limited
Ji Zuguang
Chairman and Non-executive Director

Hong Kong, 5 December 2023

As at the date of this announcement, the executive Directors are Ms. Kuo Kwan and Ms. Xie Mengna; the non-executive Directors are Mr. Ip Cho Yin J.P. and Mr. Ji Zuguang; and the independent non-executive Directors are Mr. Chu Kin Wang Peleus, Dr. Lau Reimer, Mary Jean and Mr. Zhou Li.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at www.madison-group.com.hk.