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)

ANNOUNCEMENT IN RELATION TO CHANGE IN USE OF PROCEEDS FROM RIGHTS ISSUE

References are made to (i) the prospectus of Madison Holdings Group Limited (the "**Company**") dated 29 May 2026 (the "**Prospectus**"); and (ii) the announcement (the "**Announcement**") of the Company dated 9 July 2026 in relation to, among other matters, the Rights Issue on the basis of three (3) Rights Shares for every two (2) Shares held on the Record Date. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus, unless the context otherwise requires.

USE OF PROCEEDS FROM RIGHTS ISSUE

As set out in the Announcement, the gross proceeds raised from the Rights Issue (including the Placing) were approximately HK$45.43 million and the net proceeds from the Rights Issue after deducting the expenses were approximately HK$42.79 million. As disclosed in the Prospectus, the Company intends to use the net proceeds from the Rights Issue as to:

(i) approximately HK$39.79 million (representing approximately 93.0% of the net proceeds from the Rights Issue) for the repayment of part of the Outstanding Loans of the Group, in the following manner:

a) approximately HK$24.80 million (representing approximately 58.0% of the net proceeds from the Rights Issue) for the settlement of the Shareholder's Loan; and

b) approximately HK$14.99 million (representing approximately 35.0% of the net proceeds from the Rights Issue) for the settlement of other borrowings of the Group, i.e. a loan in the outstanding amount of HK$16,992,109 at an interest rate of 12% per annum repayable in thirty-eight tranches from December 2025 to April 2028; and

(ii) approximately HK$3.00 million (representing approximately 7.0% of the net proceeds from the Rights Issue) for general working capital of the Group (including but not limited to staff costs and other corporate expenses).

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, a total of approximately HK$30.21 million of the net proceeds from the Rights Issue had been utilised by the Group according to the allocation as set out in the Prospectus and the remaining net proceeds from the Rights Issue amount to approximately HK$12.58 million (the "**Remaining Net Proceeds**") which was intended to be allocated for the settlement of other borrowings of the Group, i.e. a loan in the outstanding amount of HK$16,992,109 at an interest rate of 12% per annum repayable in thirty-eight tranches from December 2025 to April 2028.

In light of the reasons set out in the section below, the Board has resolved to reallocate part of the Remaining Net Proceeds of approximately HK$8.20 million for settlement of certain outstanding payables due to suppliers of the Group's wine and alcoholic beverages wholesale and retail business segment. Set out below is the detailed information, as at the date of this announcement, in respect of the status on the allocation and the utilisation of the Net Proceeds and the reallocation of the Remaining Net Proceeds:

	Intended use of proceeds as disclosed in the Prospectus	**Utilised net proceeds as at the date of this announcement**	**Remaining Net Proceeds as at the date of this announcement**	**Reallocation of the Remaining Net Proceeds**	**Expected timeline for utilisation of the Remaining Net Proceeds**
	HK$' million	*HK$' million*	*HK$' million*	*HK$' million*	
Use of proceeds					
Settlement of Shareholder's Loan	24.80	24.80	-	-	-
Settlement of other borrowings	14.99	2.41	12.58	4.38	By end of December 2026
Settlement of other payables	-	-	-	8.20	By end of July 2026
General working capital	3.00	3.00	-	-	-
	42.79	30.21	12.58	12.58	

Save for the disclosed herein, there are no other changes in the use of the Net Proceeds.

REASONS FOR AND BENEFITS FOR CHANGE IN USE OF PROCEEDS

In or around June 2026, the Group received formal demands from certain suppliers of its wine and alcoholic beverages business for the immediate settlement of outstanding payables which had become due. Subsequent to the completion of the Rights Issue, the Group further received threats of legal action from the relevant suppliers in July 2026 regarding the overdue amounts. In view of the imminent legal risks, the Board considers that the reallocation of the Remaining Net Proceeds to settle these outstanding liabilities is a matter of urgency. The proposed change in use of the Remaining Net Proceeds will effectively avert potential litigation, mitigate legal costs and prevent any adverse disruptions to the Group's business operations and reputation in connection with the outstanding payables. Under such circumstances, the Board considers that the proposed reallocation of the Remaining Net Proceeds will allow the Company to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

As disclosed in the Prospectus, the Group had a loan (the "**Loan**") in the outstanding amount of HK$16,992,109 at an interest rate of 12% per annum repayable in thirty-eight tranches from December 2025 to April 2028. In view of the high interest rate under the Loan, the Company maintains its intention of early settlement of the Loan. The Company had settled part of the Loan with HK$2.41 million of the net proceeds from the Rights Issue and intends to utilise HK$4.38 million of the Remaining Net Proceeds for the repayment of the Loan by the end of 2026.

Save for the above, there is no other change in the use of the Remaining Net Proceeds. The Board considered that the proposed change in use of the Remaining Net Proceeds is fair and reasonable, and is in the best interests of the Company and its shareholders as a whole.

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

Hong Kong, 20 July 2026

As at the date of this announcement, the executive Directors are Mr. Jiang Tian, Dr. Cheung Yuk Shan Shirley and Mr. Su Lei; the non-executive Directors are Mr. Ji Zuguang and Mr. Ip Cho Yin, J.P.; 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 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 "Latest Listed Company Information" page of the website of the Stock Exchange at 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.