



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)

Executive Directors:

Mr. Jiang Tian
Dr. Cheung Yuk Shan, Shirley
Mr. Su Lei

Non-executive Directors:

Mr. Ji Zuguang (*Chairman*)
Mr. Ip Cho Yin J.P.

Independent Non-executive Directors:

Mr. Chu Kin Wang, Peleus
Dr. Lau Reimer, Mary Jean
Mr. Zhou Li

Registered office:

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29 May 2026

*To the Qualifying Shareholders and,
for information only, the Non-Qualifying Shareholders*

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES
FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to (i) the Announcements; and (ii) the Circular in relation to, among other things, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder.

At the EGM held on 14 May 2026, the Rights Issue and the Placing Agreement and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll. Mr. Ting and his associates abstained from voting in favour of the proposed resolutions at the EGM.

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue; (ii) financial information of the Group; (iii) unaudited pro forma financial information of the Group; and (iv) other general information of the Group.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every two (2) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.486 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	62,312,722 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 93,469,083 Rights Shares
Aggregate nominal value of the Rights Shares	:	up to HK\$9,346,908.30
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	up to 155,781,805 Shares (assuming that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	approximately HK\$45.43 million before expenses (assuming full subscription under the Rights Issue)
Net proceeds from the Rights Issue	:	approximately HK\$42.79 million after expenses (assuming full subscription under the Rights Issue)
Net price (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK\$0.458 per Rights Share (assuming full subscription under the Rights Issue)
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten.

At the Latest Practicable Date, the Company has outstanding share options carrying the right to subscribe for 2,165,000 Shares.

References are made to the announcements of the Company dated 28 November 2025, 30 November 2025, 12 February 2026 and 30 March 2026 in relation to the grant of the option to SRA entitling SRA to require the Company to allot and issue up to a maximum of 85,922,330 shares of HK\$0.01 each in the then share capital of the Company. The Company is in the course of finalising certain information to be included in the circular containing, among other things, further details of the grant of the option. As a result of the Share Consolidation, the Company will liaise with SRA for the necessary adjustment to the option price and the number of shares which may be allotted and issued upon exercise of such option. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

Save for the above, there are no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert into or exchange for Shares.

Assuming no change in the number of issued Shares (other than the Rights Shares) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 93,469,083 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 150.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 60.0% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

The Subscription Price

The Subscription Price is HK\$0.486 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of 19.0% the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 40.0% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 39.10% to the average of the closing prices of HK\$0.798 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 37.05% to the average of the closing prices of approximately HK\$0.772 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 21.10% to the theoretical ex-rights price of approximately HK\$0.616 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 24.00% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.616 per Share and the benchmarked price of HK\$0.81 per Share (as defined under Rule 10.44A of the GEM Listing Rules); and
- (vii) a discount of approximately 79.83% to the unaudited consolidated net asset value per Share of approximately HK\$2.41 (based on the latest published unaudited consolidated net asset value of the Company of HK\$149,922,000 as at 30 September 2025 and 62,312,722 Shares in issue as at 30 April 2026).

The net price per Rights Share (i.e. the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue divided by the maximum number of Rights Shares to be issued), assuming that the Rights Issue is fully subscribed, will be approximately HK\$0.458.

The Subscription Price was determined by the Company with reference to (i) the average closing price of the Shares quoted on the Stock Exchange of approximately HK\$0.072 for the three months up to and including the Last Trading Day; (ii) the highest and lowest closing price of the Shares quoted on the Stock Exchange of HK\$0.084 and HK\$0.055 respectively for the three months up to and including the Last Trading Day; and (iii) the persistent loss-making position of the Company.

The Directors consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders are provided with an equal opportunity to subscribe for their assured entitlements under the Rights Issue for the purpose of maintaining their respective existing shareholding interests in the Company; and (ii) the Subscription Price represents a discount of approximately 40.00% and 32.74% to the closing price of the Shares on the Last Trading Day and the average of the closing prices of the Shares for the last three months up to and including the Last Trading Day respectively, and such discounts would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue.

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not being a Non-Qualifying Shareholder. For the Non-Qualifying Shareholders, subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company may make available copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders.

The Qualifying Shareholders who take up their pro-rata entitlements in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of Non-Qualifying Shareholders

The Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue. The Company will send the Prospectus (without the PAL) to the Non-Qualifying Shareholders for their information only.

As at the Latest Practicable Date, there are no Overseas Shareholders. As the register of members of the Company is already closed as at the Latest Practicable Date and will remain closed up to the Record Date, there will be no Overseas Shareholder or Non-Qualifying Shareholder on the Record Date.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company.

It is the responsibility of the Shareholders wishing to make an application for the Rights Shares, to satisfy himself/herself/itself before taking up his/her/its provisional allotments under the Rights Issue, as to the observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdiction in connection with the taking up and onward sale of the Rights Shares. Any acceptance of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that such local laws, regulations and requirements of the relevant territory or jurisdiction have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, the above representation and warranty. If you are in any doubt as to your position, you should consult a professional adviser.

Basis of provisional allotments

The basis of the provisional allotment shall be three (3) Rights Shares for every two (2) Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue.

Conditions of the Rights Issue

The Rights Issue will be conditional upon the following conditions being fulfilled:

- (i) the Increase in Authorised Share Capital and the Share Consolidation having become effective;
- (ii) the passing of all the necessary resolution(s) at the EGM to be convened to consider and, approve, among others, the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders;
- (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of the Prospectus Documents each duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached hereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Prospectus Posting Date;
- (iv) the Prospectus Documents are made available to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (v) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms;

- (vi) the Placing Agreement not having been terminated in accordance with the provisions thereof, including force majeure events; and
- (vii) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

None of the above conditions can be waived. If any of the conditions referred to above is not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. As at the Latest Practicable Date, save for conditions (i) and (ii), none of the above conditions has been satisfied.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

Fractional entitlement to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Company has appointed Advent Securities (Hong Kong) Limited as a designated broker to match the purchase and sale of odd lots of the Shares at the relevant market price per Share during the period from 9:00 a.m. on Monday, 13 July 2026 to 4:00 p.m. on 31 July 2026. Shareholders who wish to take advantage of this facility should contact Mr. Cho Pak Keung of Advent Securities (Hong Kong) Limited at Unit A-C, 11/F, Kee Shing Centre, 74-76 Kimberley Road, Kowloon, Hong Kong (telephone number (852) 2510 0603 or by facsimile at (852) 2510 0220) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period.

Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Procedures for acceptance and payment or transfer

A PAL will be sent to the Qualifying Shareholder(s) in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by not later than 4:00 p.m. on Friday, 12 June 2026 (or, under bad weather conditions and/or Extreme Conditions, such later time or date as mentioned in the section headed “**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**” in the section headed “**Expected Timetable**” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**TRICOR INVESTOR SERVICES LIMITED A/C – NO. 103**” and crossed “**ACCOUNT PAYEE ONLY**”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Friday, 12 June 2026, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Thursday, 4 June 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier’s orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company.

If the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” above are not fulfilled by the Latest Time for Termination, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Friday, 10 July 2026.

No receipt will be issued in respect of any application monies received.

Beneficial owners’ instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of HKSCC, HKSCC Operational Procedures and any other applicable requirements of CCASS.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risk, on or before Friday, 10 July 2026. Refund cheques (without interest), if the Rights Issue is terminated, are expected to be posted on or before Friday, 10 July 2026 by ordinary post, at the respective Shareholders’ own risk, to their registered addresses.

Procedures in respect of the Unsubscribed Rights Shares and NQS Rights Shares and the Compensatory Arrangements

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and NQS Rights Shares by offering the Unsubscribed Rights Shares and NQS Rights Shares to independent places for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. Accordingly, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and NQS Rights Shares to the independent places on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and NQS Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 3 July 2026, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares and NQS Rights Shares. Any Unsubscribed Rights Shares and NQS Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefits.

Placing Agreement for the Unsubscribed Rights Shares and NQS Rights Shares

Principal terms of the Placing Agreement are summarised as follows:

Date:	5 March 2026 (after trading hours of the Stock Exchange) (as amended and supplemented by the Supplemental Placing Agreement)
Issuer:	The Company
Placing agent:	Advent Securities (Hong Kong) Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO, appointed as the Placing Agent to procure, on a best effort basis, placees to subscribe for the Unsubscribed Rights Shares and NQS Rights Shares during the Placing Period To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.
Placing Period:	The period commencing from Monday, 22 June 2026 and ending at 4:00 p.m. on Friday, 3 July 2026.
Commission and expenses:	Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars, of 2.0% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.
Placing price of the Unsubscribed Rights Shares	The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the process of placement.
Placees:	The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) and not acting in concert with any of the Company's connected persons.

Ranking of the Unsubscribed Rights Shares:	The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.
Conditions precedent:	The obligations of the Placing Agent under the Placing Agreement are conditional upon: (i) the passing by the Shareholders (including independent Shareholders) at a general meeting of the Company of all necessary resolutions to be proposed to approve, among others, the Share Consolidation, the Rights Issue, the Placing Agreement and the respective transaction contemplated thereunder; (ii) the Share Consolidation having become effective; (iii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares (including the Shares for Placing) and such approval not having been withdrawn or revoked; (iv) all necessary consents and approvals to be obtained on the part of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; (v) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect as if it was repeated as at the time of completion; and (vi) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms thereof.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination.

Termination:

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than fourteen (14) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing, excluding any suspension in connection with the clearance of the announcement of the Company or the Prospectus Documents or other announcements and circulars of the Company in connection with the Rights Issue; or

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of despatch of share certificates for fully-paid Rights Shares and refund cheques (if any), which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material adverse change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

In view of the market sentiment and thin trading liquidity of the Shares reflected in the Company's average daily trading volume of merely approximately 0.04% of the total issued share capital of the Company during the six months prior to and including the Last Trading Day (i.e., 221,845 Shares, calculated based on the total trading volume divided by the total number of days during the six months prior to and including the Last Trading Day), the length of the Placing Period is intended to allow sufficient time for the Placing Agent to conduct investor outreach in order to identify and procure a sufficient number of independent placees to subscribe for the Unsubscribed Rights Shares. The Board considers the Placing Period is fair and reasonable and in the interests of the Shareholders as a

whole as it maximises the likelihood that the Unsubscribed Rights Shares are placed at not less than the Subscription Price on a best-effort basis, with any Net Gain (if realised) distributed pro-rata in line under the compensatory arrangements.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the Placing Agreement to be on normal commercial terms.

The Company considers that the Placing Agreement will provide a compensatory mechanism for the No Action Shareholders, protect the interest of the Shareholders, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Application for listing

The Company has applied to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, no part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares will be placed to independent places on a best effort basis by the Placing Agent under the Compensatory Arrangements. Any Unsubscribed Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken-up, where any Shareholders would, as a result of taking up his/her/its assured entitlement under the Rights Issue, reach or exceed 30% of the voting rights of the Company or (if already holding between 30% and 50% of the voting rights of the Company) acquire more than 2% of the voting rights of the Company within 12-month period) (the "**Relevant Shareholder(s)**"), the application of such Relevant Shareholder(s) (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the Relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis.

The expected timeline below sets out the sequence of events in relation to the scale-down mechanism:

Expected timeline	Key events
Latest Acceptance Date + 1 Business Day	Registrar will provide final list of valid acceptances under the PAL.
Latest time for Placing (the “P-day”)	Company will confirm the result of Placing with the Placing Agent and Registrar.
P-day + 1 Business Day	Based on (i) disclosure of interests by the relevant Shareholders; (ii) the valid acceptances under the PAL; and (iii) the result of Placing, Company will identify any individual Relevant Shareholders and/or group of Relevant Shareholders, if necessary.
P-day + 2 Business Days	Registrar to scale down the assured entitlement of the Relevant Shareholder(s) and confirm the respective refund amounts.

Upon completion of the Placing, where the scale-down is necessitated by an individual Relevant Shareholder (provided that such Relevant Shareholder is a registered Shareholder), the Company will give instruction to the Registrar to scale down his/her/its assured entitlement under the Rights Issue to a level which does not trigger an obligation on the part of the Relevant Shareholder to make a general offer under the Takeovers Code. Where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual Relevant Shareholder upon considering the results of the Rights Issue, the allocations of PAL(s) to members of the affected group should be made on a pro-rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the scaling-down as well. The Company will give instruction to the Registrar to scale down each of their assured entitlement under the Rights issue on a pro rate basis to an aggregate level which does not trigger an obligation on the part of the relevant group of Shareholders to make a general offer under the Takeovers Code. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size being the same (i.e. 4,000) as their underlying Shares on the

Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of the conditions of the Rights Issue set forth above. In the event that the Rights Issue is not fully subscribed and provided the Placing Agreement has not been terminated in accordance with the provisions thereof, any Rights Shares not taken up by the Qualifying Shareholders or holders of nil-paid Rights Shares together with the NQS Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. In the event of any Unsubscribed Rights Shares or NQS Rights Shares which are not placed under the Compensatory Arrangements, the Rights Issue will continue to proceed but such Unsubscribed Rights Shares or NQS Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Meanwhile, in the event that the Rights Issue is not fully subscribed and the Placing Agreement is terminated for whatever reasons, the Rights Issue will not proceed.

For the avoidance of doubt, given the Placing will be proceeded on a best effort basis, there is no guarantee that all the Unsubscribed Rights Shares or NQS Rights Shares could eventually be successfully placed by the Placing Agent.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 62,312,722 Shares in issue. Set out below are the changes in the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Rights Issue assuming no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares under the Rights Issue, for illustration purposes only:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming full acceptance of the Rights Shares by all Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no acceptance of the Rights Shares by the Qualifying Shareholders and all of the Unsubscribed Rights Shares are fully placed to the Placees under the Compensatory Arrangements)	
	No. of issued Shares	Approximate %	No. of issued Shares	Approximate %	No. of issued Shares	Approximate %
Royal Spectrum Holding Company Limited (“ Royal Spectrum ”) (Notes 1 and 2)	19,592,000	31.44%	48,980,000	31.44%	19,592,000	12.58%
CVP Financial Group Limited (“ CVP Financial ”) (Note 2)	5,048,727	8.10%	12,621,816	8.10%	5,048,727	3.24%
Mr. Ting (Notes 1 and 2)	1,019,324	1.64%	2,548,310	1.64%	1,019,324	0.65%
Highgrade Holding Limited (“ Highgrade Holding ”) (Note 2)	352,720	0.57%	881,800	0.57%	352,720	0.23%
Kaiser Capital Holdings Limited (“ Kaiser Capital ”) (Note 2)	121,720	0.20%	304,300	0.20%	121,720	0.08%
Plan Marvel Investment Limited (“ Plan Marvel ”) (Note 2)	332,800	0.53%	832,000	0.53%	332,800	0.21%
Ms. Liu Yang (“ Ms. Liu ”) (Note 3)	1,100,020	1.77%	2,750,050	1.77%	1,100,020	0.71%
Atlantis Investment Management Limited (“ Atlantis Investment ”) (Note 3)	5,425,630	8.71%	13,564,075	8.71%	5,425,630	3.48%
Placees	–	–	–	–	93,469,083	60.00%
Other public Shareholders	29,319,781	47.05%	73,299,454	47.05%	29,319,781	18.82%
	<u>62,312,722</u>	<u>100.00%</u>	<u>155,781,805</u>	<u>100.00%</u>	<u>155,781,805</u>	<u>100.00%</u>

Notes:

- 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 Mr. Zhu Qin respectively. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum.

2. Each of Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel is wholly owned by Mr. Ting. CVP Financial is interested in 5,048,727 Shares, Highgrade Holding is interested in 352,720 Shares, Kaiser Capital is interested in 121,720 Shares and Plan Marvel is interested in 332,800 Shares. Mr. Ting is deemed to be interested in 25,447,967 Shares, representing approximately 40.84% of the issued share capital of the Company held by Devoss Global, CVP Financial, Highgrade Holding, Kaiser Capital and Plan Marvel under Part XV of the SFO.
3. The entire issued share capital in Atlantis Investment is wholly-owned by Atlantis Capital Group Holdings Limited (“**ACGHL**”), which in turn is wholly-owned by Ms. Liu. As such, ACGHL and Ms. Liu are both deemed to be interested in 5,425,630 Shares, representing approximately 8.71% of the issued share capital of the Company, held by Atlantis Investment under Part XV of the SFO.
4. The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23(7) of the GEM Listing Rules.
5. Certain percentage figures included 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.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is a limited company incorporated in the Cayman Islands and is an investment holding company. The Group is principally engaged in (i) retail sales and wholesales of wine products and other alcoholic beverages; and (ii) provision of financial consultancy services; and (iii) provision of loan financing and loan referral services.

As disclosed in the interim report of the Company for the six months ended 30 September 2025, as at 30 September 2025, the Shareholder’s Loan, the SRA Loan and other borrowings (collectively, the “**Outstanding Loans**”) of the Group amount to approximately HK\$82.1 million, HK\$71.9 million and HK\$17.0 million, respectively. The Shareholder’s Loan is non-interest bearing, while the effective interest rates on the SRA Loan and the other borrowings of the Group are 4% and 12% per annum, respectively. For the year ended 31 March 2025, the Group incurred finance costs of approximately HK\$6.5 million.

Pursuant to the terms of the Shareholder’s Loan, the Shareholder’s Loan is repayable on demand and the Group is required to repay an amount of not less than HK\$24.80 million by August 2026. As disclosed in the announcement of the Company dated 28 November 2025, the SRA Loan had already become due. On the other hand, the other borrowings together with the interests accrued thereon in the amount of approximately HK\$2.82 million will be due within the next 6 months from the Last Trading Day. As disclosed in the announcement of the Company dated 28 November 2025, the Company had entered into a conditional loan extension agreement with SRA in relation to the extension of the maturity date of the SRA Loan to 30 September 2031.

As such, the Company intends to apply the net proceeds of approximately HK\$42.79 million from the Rights Issue (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date and full subscription under the Rights Issue) as follows:

- (i) approximately HK\$39.79 million for repayment of part of the Outstanding Loans in the following manner:

The table below sets out the breakdown of use of proceeds from the Rights Issue for the repayment of the Outstanding Loans:

Outstanding Loans	Outstanding amount as at 28 February 2026	Interest accrued as at 28 February 2026	Use of proceeds from the Rights Issue
Shareholder's Loan	Approximately HK\$90.86 million	–	Approximately HK\$24.80 million (sub-paragraph (a) below)
SRA Loan	Approximately JPY1,352.00 million (equivalent to HK\$66.25 million)	Approximately JPY18.55 million (equivalent to HK\$0.91 million)	–
Other borrowings	Approximately HK\$14.99 million	Approximately HK\$0.13 million	Approximately HK\$14.99 million (sub-paragraph (b) below)

- (a) approximately HK\$24.80 million for the settlement of the Shareholder's Loan. As disclosed above, the Group is required to repay an amount of not less than HK\$24.80 million of the Shareholder's Loan by August 2026, failing which, the Company would be in breach of such terms under the Shareholder's Loan. Allocating part of the net proceeds from the Rights Issue for such repayment therefore avoids immediate legal and liquidity risks associated with a potential breach of the terms under the Shareholder's Loan and preserves working capital of the Group for settlement of its other liabilities as they fall due. As such, the Board considers that utilising the net proceeds for the settlement of the Shareholder's Loan is fair and in the interests of the Shareholders; and

- (b) approximately HK\$14.99 million for the settlement of other borrowings, 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 view of the high interest rate under this loan, the Company intends to prioritise repayment of this loan so as to strengthen the financial position of the Group and reduce the related finance costs. It is estimated that the finance costs of the Group will be reduced by approximately HK\$1.50 million per annum after repayment of such principal amount of the Outstanding Loans and the financial results of the Group are expected to improve as a result; and
- (ii) approximately HK\$3.00 million for the general working capital (including but not limited to staff costs and other corporate expenses) of the Group.

In the event that there is an undersubscription of the Rights Issue, the use of proceeds raised from the Rights Issue will be allocated on a pro-rata basis for the purposes disclosed above.

The Company has considered alternative fundraising methods which include debt financing or placing of new Shares. For debt financing, in light of the loss-making position of the Group for the year ended 31 March 2025 and for the six months ended 30 September 2025 and the relatively high gearing ratio of the Group, it is difficult for the Group to obtain loans with favourable interest rate. For placing of new Shares, it would dilute the shareholding of the existing Shareholders while the Rights Issue will allow the Qualifying Shareholders to maintain their respective shareholdings in the Company on a pro rata basis. The Directors are of the view that the Rights Issue could enhance the Group's capital base and generate net proceeds for (i) repayment of existing borrowings and related interest and (ii) general working capital, thereby improving the Group's overall financial position.

In view of the above and the reasons described in the sub-section headed "Subscription Price" under the section headed "Rights Issue", the Directors consider that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Latest Practicable Date.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 2 June 2026 to Tuesday, 9 June 2026 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed "Conditions of the Rights Issue" in this Prospectus above.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully
For and on behalf of the Board
Madison Holdings Group Limited

Ji
Zuguang
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Zuguang
日期：2026.05.28
15:23:42 +08'00'

Ji Zuguang
Chairman and Non-executive Director