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Chuanglian Holdings Limited
創聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2371)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RESPECT OF THE
DISPOSAL OF
LEADING FORTUNE GLOBAL GROUP LIMITED**

**STATUS UPDATE ON THE SETTLEMENT OF
CONSIDERATION**

Reference is made to the announcements of Chuanglian Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 4 August 2022, 1 September 2022, 30 September 2022, 1 December 2022, 23 December 2022, 3 January 2023 and 31 March 2023 (the “**Announcements**”) in relation to the Group’s disposal of Leading Fortune Global Group Limited. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

STATUS UPDATE ON THE SETTLEMENT OF THE CONSIDERATION

As disclosed in the Announcements, the Consideration should be payable by Mr. Pan to CFTL in four instalments as follows:

- (1) 1st instalment: HK\$12,900,000 shall be payable by Mr. Pan to CFTL on the Completion Date (the “**First Instalment**”);
- (2) 2nd instalment: HK\$12,900,000 shall be payable by Mr. Pan to CFTL within 30 days from the Completion Date (the “**Second Instalment**”);
- (3) 3rd instalment: HK\$8,600,000 shall be payable by Mr. Pan to CFTL within 120 days from the Completion Date (the “**Third Instalment**”); and
- (4) 4th instalment: HK\$8,600,000 shall be payable by Mr. Pan to CFTL within 210 days from the Completion Date.

As further disclosed in the announcement of the Company dated 3 January 2023, Mr. Pan settled the First Instalment, being HK\$12,900,000, in the form of MXC, a Type A Eligible Cryptocurrency, on the Completion Date (i.e. 23 December 2022).

Shortly before the Second Instalment fell due, the Company has reminded Mr. Pan to settle the Second Instalment on time, i.e. on or before 22 January 2023, which is the first day of the Lunar New Year. However, Mr. Pan failed to settle the Second Instalment by 22 January 2023. Since then, the Company has taken various follow-up actions to recover the Second Instalment, including: (a) sending several overdue payment reminders to Mr. Pan via emails; (b) phone calls with Mr. Pan to request for the immediate repayment of the Second Instalment; and (c) issuing a formal letter of demand to Mr. Pan requesting the immediate repayment of the Second Instalment.

As represented by Mr. Pan, in view of (1) the market prices of cryptocurrencies, in particular for Type A Eligible Cryptocurrency, have dropped considerably since the execution of the Disposal Agreement in August 2022; and (2) Mr. Pan's expectation that the market prices of cryptocurrencies will pick up quickly in the near future, Mr. Pan therefore delayed in settling the Second Instalment such that he is only required to use a smaller number of Eligible Cryptocurrencies (in units) to settle the Second Instalment when the market prices of cryptocurrencies have gone up.

Having regard to Mr. Pan's failure to timely settle the Second Instalment in full, in addition to enquire the reasons for Mr. Pan's delay in settlement as set out above, the Company conducted a further due diligence on Mr. Pan's financial capability in settling the outstanding instalments of the Consideration in March 2023. The Company reviewed the composition and value of Mr. Pan's personal assets (including the amount of cryptocurrencies balances in Mr. Pan's digital wallets) and the latest market development and trends for various types of cryptocurrencies, including each of the Eligible Cryptocurrencies, etc. Taking into account Mr. Pan's reasons for delayed payment and the due diligence results, the Company, after due and careful consideration, was then of the view that Mr. Pan has the financial capability to settle the remaining instalments of the Consideration.

Through the Company's continuous efforts in recovering the overdue payment, on 29 March 2023, Mr. Pan partially settled the Second Instalment in the amount of approximately HK\$3,680,000, in the form of MXC, a Type A Eligible Cryptocurrency.

Given Mr. Pan has partially settled the Second Instalment and that the Board was then of the view that Mr. Pan has the financial capability to settle the remaining instalments of the Consideration, the Board then considered that it was appropriate for the Group to continue adopting a less aggressive approach in demanding repayment from Mr. Pan.

Nevertheless, the Group has continued using its best endeavors to collect the Overdue Sum (i.e. approximately HK\$9,220,000) from Mr. Pan as soon as possible and CFTL reserves its right to take appropriate legal actions against Mr. Pan to recover the Overdue Sum. Towards this end, the Group has continuously monitored the repayment status by Mr. Pan and repeatedly sent overdue reminders to Mr. Pan. The Group has also requested Mr. Pan to settle the Overdue Sum as soon as possible, and in any event no later than the due date of the Third Instalment (i.e. on or before 22 April 2023) and to timely settle the Third Instalment (in the amount of approximately HK\$8,600,000) by 22 April 2023.

Nonetheless, as at the date of this announcement, the Overdue Sum and the Third Instalment remain overdue by Mr. Pan.

To safeguard the interests of the Company and its shareholders, the Group is prepared to adopt a more progressive approach in recovering the Outstanding Sum and the Third Instalment, which includes but not limited to, commencing legal actions against Mr. Pan.

Further announcement(s) will be made by the Company as and when appropriate.

By order of the Board
Chuanglian Holdings Limited
Zhang Jie
Executive Director

Hong Kong, 24 April 2023

As at the date of this announcement, the Board comprises Mr. Lu Xing (Chairman), Mr. Gao Yongzhi, Mr. Li Jia, Mr. Xu Dayong and Mr. Zhang Jie as executive Directors and Mr. Leung Siu Kee, Mr. Wu Yalin and Ms. Wang Shuping as independent non-executive Directors.