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7Road Holdings Limited

第七大道控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 797)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

This announcement is made by 7Road Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 28 March 2021, 29 March 2021, 30 March 2021, 12 April 2021, 26 April 2021, 13 May 2021, 21 May 2021, 30 June 2021, 16 August 2021 and 31 August 2021. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON THE BUSINESS OPERATIONS OF THE GROUP

The Group is principally engaged in the research and development, operation and licensing of web and mobile games. The Group has continued its normal business operations since the suspension of the trading of the Shares.

RESUMPTION GUIDANCE

On 21 May 2021, the Company received a letter from the Stock Exchange setting out the Resumption Guidance, as follows:

- (i) conduct an appropriate independent investigation into the audit issues identified by Moore Stephens (the former auditor of the Company which resigned with effect from 12 May 2021), announce the findings and take appropriate remedial actions;
- (ii) publish all outstanding financial results and address any audit modifications;
- (iii) demonstrate compliance with Rule 13.24 of the Listings Rules; and
- (iv) inform the market of all material information for shareholders and investors to appraise the Company's position, including the implications of the audit issues identified by Moore Stephens to the Group's assets, financial and operational position.

UPDATE ON RESUMPTION PROGRESS

The Company has been taking steps to address and comply with the Resumption Guidance. The actions taken, and being taken, by the Company since the suspension of trading of the Shares are summarised as follows.

(a) Formation of Independent Committee, appointment of Independent Investigator for the Independent Investigation and issuance of the Independent Investigation Report

On 12 April 2021, the Independent Committee, comprising all the independent non-executive directors of the Company, was established to carry out the Independent Investigation.

On 26 April 2021, the Independent Committee appointed the Independent Investigator to assist it with the Independent Investigation.

On 16 August 2021, the Independent Investigator issued the Independent Investigation Report.

The key findings of the Independent Investigation have been disclosed in the announcement of the Company dated 16 August 2021.

(b) Publication of all outstanding financial results

On 31 August 2021, the Company published its audited annual results announcement for the year ended 31 December 2020 and its interim results announcement for the six months ended 30 June 2021. The auditor of the Company was satisfied that the audit issues identified by Moore Stephens have been addressed. The Audit Committee agreed that the audit procedures performed by the auditor of the Company are adequate to address the audit issues identified by Moore Stephens.

On 9 September 2021, the Company published its annual report for the year ended 31 December 2020 (“**Annual Report 2020**”).

The auditor of the Company has also opined in its auditor’s report for the year ended 31 December 2020 that the consolidated financial statements of the Group for the year ended 31 December 2020 give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

On 14 September 2021, the Company published its interim report for the six months ended 30 June 2021 (“**Interim Report 2021**”).

The Board considers that the actions taken by the Company as disclosed above are in the best interest of the Company and the Shareholders as a whole.

The Company will continue to work with its professional advisors to advance the resumption progress and will inform the public of its business operation and the resumption progress as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 10:54 a.m. on Monday, 29 March 2021 and will remain suspended until the Company fulfils the Resumption Guidance.

By order of the Board
7Road Holdings Limited
Meng Shuqi
Chairman

Wuxi, the PRC
29 September 2021

As at the date of this announcement, the executive Directors are Mr. Meng Shuqi, Mr. Li Zhengquan and Mr. Yang Cheng; and the independent non-executive Directors are Mr. Xue Jun, Ms. Li Yiqing and Ms. Wang Ying.