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第七大道
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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)

INSIDE INFORMATION
POTENTIAL FAIR VALUE LOSS ON INVESTMENT

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

As disclosed in the annual report of the Company for the year ended 31 December 2022, the Group is seeking business opportunities for sustainable development and is committed to creating greater value for the shareholders. In order to enhance the capital efficiency as well as the return from working capital, the Group would utilize its idle funds for investments from time to time.

In July 2021, the Group, through its wholly-owned subsidiary Wuxi 7Road Technology Co., Ltd* (無錫第七大道科技有限公司) (“**Wuxi 7Road**”), utilized its idle funds to invest in a trust (the “**Trust**”) with a principal amount of RMB70 million. The Trust is an equity-type trust investment product. Pursuant to the relevant agreements entered into by Wuxi 7Road with the administrator of the Trust (the “**Administrator**”), the term of the Trust shall be 24 months commencing from 29 July 2021 and upon expiry of such term the Administrator shall pay the return on the Trust within ten (10) business days based on a liquidation report on the value of the Trust to be provided by the Administrator. As at the date of this announcement, the said investment has been recorded in “Financial assets at fair value through profit or loss” with the amount of approximately RMB70.4 million.

Upon the expiry of the term of the Trust, no new investment agreement has been entered into between Wuxi 7Road and the Administrator, and Wuxi 7Road has not received the liquidation report of the Trust nor received any principal amount of and/or return on the Trust within the time limit stipulated under the relevant agreements. The board (the “**Board**”) of directors of the Company is seeking legal advice on this matter. The Board has also conducted a preliminary assessment and discussed with the Company’s auditors in relation to the potential impact on the Group’s financial performance. The Board is of the view that there may be potential loss on Wuxi 7Road’s investment in the Trust and, depending on the expected/actual extent to which the principal amount of and the return on the Trust that can be recovered, it is expected that the changes in fair value of the investment in the Trust may have an adverse effect on the Company’s 2023 financial results and the specific amount is subject to the final audit by the Company’s auditors.

Save as disclosed above, the Board is of the view that the potential loss on the investment in the Trust will not result in material adverse effect on the Group’s business operations in other aspects. The Group will continue to liaise with the Administrator and take all possible measures to recover the relevant amounts.

If necessary, the Company will make further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Wuxi, the People’s Republic of China, 14 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. Meng Shuqi, Mr. Peng Cheng, Mr. Li Zhengquan and Mr. Yang Cheng; and the independent non-executive directors of the Company are Mr. Xue Jun, Ms. Li Yiqing and Mr. Lui Chi Ho.

* *for identification only*