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第七大道
7ROAD.COM

7Road Holdings Limited
第七大道控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 797)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Board announces the audited consolidated annual results of the Group (the “**Annual Results**”) for the year ended 31 December 2023 together with the comparative information for the year ended 31 December 2022.

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the year ended	
	31 December	
	2023	2022
	(RMB'000)	(RMB'000)
Revenue	627,732	540,630
(Loss)/profit for the year	(144,894)	279,606
(Loss)/profit attributable to owners of the Company	(146,461)	282,499

1. For the year ended 31 December 2023, the total revenue amounted to approximately RMB627.7 million, representing an increase of approximately 16.1% as compared with the year ended 31 December 2022.
2. For the year ended 31 December 2023, the Company recorded a loss attributable to owners of the Company amounted to approximately RMB146.5 million, representing a decrease of approximately 151.8% as compared with the year ended 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group is a leading game developer and operator in China with a global reach. Since our incorporation in 2008, we have been engaging in the R&D, operation and publishing of a number of popular games.

Overview of the industries in which the Company operates in

In terms of the gaming business, according to the “2023 Global Games Market Report” (2023全球遊戲市場報告) released by Newzoo in 2024, the global games market size was estimated to be US\$184.0 billion in 2023, and the number of game players around the world was over 3.3 billion, with a year-on-year increase of 4.3%. Among which, (i) mobile games still represented the most important sector of the gaming industry, and the global mobile games market size was estimated to be US\$90.5 billion in 2023, accounting for 49% of the total revenue of the industry, with a year-on-year decrease of 1.4%; and (ii) the PC games market size accounted for 21% of the total revenue of the industry, reaching US\$38.4 billion with a year-on-year increase of 5.3%. The report concluded that the gaming industry will continue to develop steadily, and the games market is expected to continue to grow in the next few years. It is estimated that the number of players around the world will increase from the current 3.3 billion to 3.6 billion by 2026, with the market size reaching US\$205.4 billion.

In terms of the cloud computing business, a global boom in the R&D of AI models and applications has generated a high demand for GPUs with high-computing power. Market demand is rapidly changing and equipment is rapidly iterating. Against the backdrop of rapid growth of the cloud computing market, due to the structural differences in the market, the growth of non-AI training, reasoning and application sectors in the cloud computing field was not as rapid as expected. Furthermore, domestic internet giants, relying on their strong capital strength and profound technology accumulation, have advantages in terms of continuous R&D investment and diversification of cloud computing service products. Combined with the strong and rich ecological resources of their own main business, these internet giants have formed an integrated comprehensive business synergy with their cloud computing business, so that small and medium-sized cloud computing companies face various challenges such as technology, capital and business ecology in competition.

OUTLOOK FOR 2024

In 2024, in terms of our game business, the Group will continue to deeply explore user needs, continuously improve game quality, strive to create high-quality games, as well as expand themes and develop new games of different genres to enrich the Group's product portfolio.

In terms of game development and IP value, the Group plans to promote a number of self-developed products in 2024. The R&D of "DDTank X" (彈彈堂X) is expected to be completed and launched in the fourth quarter. As the core R&D IP project of the Group, the DDTank series will continue to be updated in the future. Based on market and user conditions, the Group will regularly launch relevant competition activities, add new gameplay, maintain IP popularity and continue to attract users' attention and participation. "DDTank 2" (彈彈堂2), the official sequel to DDTank, is also under pre-research. As for "Wartune H5" (神曲H5), another classic IP series game of the Group, we will continue to upgrade its art style based on test feedback and further optimize its operation and gameplay design before launching it into the market. The R&D cooperation products between the Group and other IP parties are also progressing gradually. In addition, we may try to cooperate with other high-quality developers through IP licensing to continue to focus on the application of our classic IPs in gaming products, including trying to cooperate in developing mini-program games, cloud games and other new gaming products using our own IPs.

In the 2D arena, the Group's layout is expected to be developed. A well-known Japanese IP mobile game developed by our studio, namely "Gintama" (銀魂集結), has obtained publication approval in February 2024 and is expected to be published and tested within this year. The IP of the mobile game itself is broadly known with a huge audience base. The product was developed with a focus on high restoration of IP images and plots, with an aim to provide fans with an authentic IP gaming experience.

In terms of our game publishing business, the Group will continue to focus on the global layout and actively expand our overseas publishing business on the basis of domestic business development. The Group expects that "DDTank Classics" (彈彈堂復古版) will be tested and launched gradually in North America, Europe and other regions from the second quarter. "Wartune H5" (神曲H5), another classic IP of the Group, is also actively expanding in multiple regional user markets. It has been officially launched in Brazil and North America in February and March 2024, respectively, and we will gradually proceed with plans to launch it in other regions of the world. The Group's self-developed "DDTank X" (彈彈堂X) and 3D mobile game "Gintama" (銀魂集結) are expected to be tested and launched in relevant regions within this year. The female-oriented character customization game "Alice's Closet" (愛麗絲的衣櫥), which is operated by the Group, has obtained publication approval in the third quarter of 2023 and is scheduled to be published this year. As the gaming industry brings joy to people, with the aim of providing a reasonable and

comfortable gaming experience, we will continue to devote ourselves to the innovation and development of games and bring better gaming experiences to players.

In terms of investment, we will continue to seek appropriate investment or cooperation opportunities, and selectively acquire and invest in companies or assets with potential in the Internet-related industry chain in accordance with the Group's development strategy.

In terms of the cloud computing business, the Group has entered into an agreement to sell an indirect subsidiary which is responsible for a major part of the Group's cloud computing business as referred to the section headed "Subsequent Events" of this announcement.

In summary, in 2024, the Group will continue to focus on the R&D and publishing of the Group's core IP products, strengthen the value of our IP, promote game refinement, and continue to improve our gaming product portfolio. At the same time, the Group will control investment risks, optimize resource allocation, focus on global layout, and further enhance the Group's game development and operation capabilities and performance. We will actively respond to changes in technology and in the market, continuously improve our overall competitiveness, resource control capabilities, follow-up development capabilities and anti-risk capabilities to consolidate, develop and enhance our position in the industry and create more value for our Shareholders.

FINANCIAL REVIEW

OPERATIONAL INFORMATION

During the year ended 31 December 2023, we continued to focus on the R&D of games and the operations of high-quality games to cope with the intensifying competition in the gaming industry and endeavored to become a world-renowned game developer integrated with research, operation and development capabilities. For the year ended 31 December 2023, the Group's online game revenue was mainly derived from several well-known games, including "DDTank" (彈彈堂) series and "Wartune" (神曲) series.

We assess the operating performance with a set of key performance indicators, which include MAUs, MPUs and ARPPU. Fluctuations in our operating data are primarily a result of changes in the number of players who play, download (in the case of mobile games) and pay for virtual items and premium features in our games. Using these operating data as our key performance indicators allows us to monitor our ability to offer highly engaging online games and helps us to increase the continuous popularity of our games, gain the monetization of our player base and deal with the intense competition in the online gaming industry, so that we can implement better business strategies.

For the year ended 31 December 2023, our web games had (i) an average MAUs of approximately 0.7 million; (ii) an average MPUs of approximately 32,300; and (iii) an ARPPU of approximately RMB587; and our mobile games had (a) an average MAUs of approximately 0.7 million; (b) an average MPUs of approximately 65,000; and (c) an ARPPU of approximately RMB729.

The Group provided cloud computing resources and relevant support services to its customers. For the year ended 31 December 2023, the Company's cloud computing and related cloud service business generated a revenue of approximately RMB148.1 million.

YEAR ENDED 31 DECEMBER 2023 COMPARED TO THE YEAR ENDED 31 DECEMBER 2022

The following table sets forth the comparative statements of profit or loss for the years ended 31 December 2023 and 2022:

	Year ended 31 December		Year-on-year change %
	2023 (RMB'000)	2022 (RMB'000)	
Revenue	627,732	540,630	16.1
Cost of revenue	(244,628)	(279,427)	-12.5
Gross profit	383,104	261,203	46.7
Research and development expenses	(168,489)	(129,482)	30.1
Selling and marketing expenses	(49,837)	(115,563)	-56.9
Administrative expenses	(72,423)	(60,554)	19.6
Net provision of impairment losses on financial assets under expected credit loss model	(33,626)	(11,446)	193.8
Other income	5,424	10,056	-46.1
Other gains or losses, net	(180,227)	353,160	-151.0
Operating (loss)/profit	(116,074)	307,374	-137.8
Finance income	1,172	642	82.6
Finance costs	(24,719)	(20,820)	18.7
Finance costs, net	(23,547)	(20,178)	16.7
Share of results of associates	(588)	(3,807)	-84.6
(Loss)/profit before income tax	(140,209)	283,389	-149.5
Income tax expense	(4,685)	(3,783)	23.8
(Loss)/profit for the year	(144,894)	279,606	-151.8

REVENUE

The following table sets forth the breakdown of our revenue for the years ended 31 December 2023 and 2022:

	For the year ended 31 December			
	2023	(% of total revenue)	2022	(% of total revenue)
	(RMB'000)		(RMB'000)	
Types of goods or services				
Online game revenue	471,804	75.2%	426,054	78.8%
— Self-development games				
published by the Group	356,996	56.9%	165,569	30.6%
published by other publishers	112,961	18.0%	151,949	28.1%
— Licensed games				
published by the Group	1,795	0.3%	1,283	0.2%
published by other publishers	52	0.0%	107,253	19.9%
Sales of game copyrights	—	—	1,458	0.3%
Sales of online game technology and publishing solutions services	664	0.1%	82	0.0%
Intellectual property licensing	7,159	1.1%	6,669	1.2%
Cloud computing and related cloud service	148,105	23.6%	106,367	19.7%
Total	627,732	100.0%	540,630	100.0%

For the year ended 31 December 2023, total revenue was approximately RMB627.7 million, representing an increase of approximately 16.1% as compared with the year ended 31 December 2022. This was mainly due to the increase in revenue of our game business and cloud business.

For the year ended 31 December 2023, revenue of the Group's game business was approximately RMB471.8 million, representing an increase of approximately 10.7% as compared with the year ended 31 December 2022. This was mainly due to the increase in revenue in 2023 generated from the game "DDTank Adventure" (彈彈堂大冒險) we launched at the end of 2022. For the year ended 31 December 2023, revenue of the Group's cloud computing and related cloud service business was approximately RMB148.1 million, representing an increase of approximately 39.2% as compared with the year ended 31 December 2022. This was mainly due to the fact that cooperation with some of our current customers in the cloud computing and related cloud service business only commenced in the second quarter and second half of 2022.

COST OF REVENUE

Our cost of revenue mainly comprises of the depreciation cost and lease expenses of property, plant and equipment, employee salary and benefit expenses incurred by our operations departments, bandwidth and server custody fees, cost of game licensing and amortisation cost of IP games. The cost of revenue amounted to approximately RMB244.6 million for the year ended 31 December 2023, representing a decrease of approximately 12.5% as compared to approximately RMB279.4 million for the year ended 31 December 2022, mainly due to the decrease in cost of game licensing and amortisation cost of IP games.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit amounted to approximately RMB383.1 million for the year ended 31 December 2023, representing an increase of approximately 46.7% as compared to approximately RMB261.2 million for the year ended 31 December 2022, which is mainly due to the year-on-year increase in revenue and the year-on-year decrease in cost of revenue.

Our gross profit margin was approximately 61.0% for the year ended 31 December 2023, representing an increase of 12.7 percentage points as compared to approximately 48.3% for the year ended 31 December 2022, mainly due to the increase in revenue for the year ended 31 December 2023 as compared to the corresponding period for 2022, and the year-on-year decrease in cost of revenue.

Expenses

Research and Development Expenses

Our R&D expenses mainly comprise employee salary and benefit expenses incurred by our R&D department and outsourcing expenses. The R&D expenses amounted to approximately RMB168.5 million for the year ended 31 December 2023, representing an increase of approximately 30.1% as compared to approximately RMB129.5 million for the year ended 31 December 2022. Such increase was mainly because we increased the investment in R&D in 2023, leading to an increase in employee salary expenses and outsourcing expenses.

Administrative Expenses

Our administrative expenses mainly comprise employee salary and benefit expenses, rental expenses of office premises and professional consulting fees. The administrative expenses were approximately RMB72.4 million for the year ended 31 December 2023, representing an increase of 19.6% as compared to approximately RMB60.6 million for the year ended 31 December 2022. Such increase was mainly because of the increase in expenses such as property rents.

Selling and Marketing Expenses

Our selling and marketing expenses mainly comprise advertising expenses incurred by marketing. The selling and marketing expenses amounted to approximately RMB49.8 million for the year ended 31 December 2023, representing a decrease of approximately 56.9% as compared to approximately RMB115.6 million for the year ended 31 December 2022. Such decrease was mainly due to the increase in our promotional activities in 2022 for launching new games, while our promotional activities during 2023 remained steady.

Income Tax

The income tax expenses increased for the year ended 31 December 2023 as compared to the corresponding period in 2022, which was mainly due to the change in income tax taxable income and tax rates applicable to certain subsidiaries for the year. The estimated income tax rates applicable to the Group entities (excluding the entities that are currently tax exempted) for the year ended 31 December 2023 varied from 12.5% to 25% (2022: 12.5%–25%).

(LOSS)/PROFIT FOR THE YEAR

For the year ended 31 December 2023, our loss attributable to owners of the Company amounted to approximately RMB146.5 million, representing a decrease of approximately 151.8% as compared with the year ended 31 December 2022. This was mainly attributable to (i) the absence of gain on disposal of an associate of other gain or loss, net, for the year ended 31 December 2023, which recorded approximately RMB306.2 million for the year ended 31 December 2022, (ii) the impairment of assets in relation to the Group's cloud computing business, and (iii) a recorded increase in fair value loss of the Group's financial assets, mainly attributable to the fair value loss of a trust. For further details on impairment of assets in relation to the cloud computing business and fair value loss of the financial assets, please refer to notes 6 and 12 to the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and equity or debt financing activities for its capital requirements. As at 31 December 2023, cash and cash equivalents amounted to approximately RMB48.1 million (2022: RMB104.7 million), which were denominated in RMB, representing a decrease of approximately 54.1% as compared to the year ended 31 December 2022. Such decrease was mainly due to the repayment of principal and interest of borrowings and increased investment in assets during the year.

INTEREST BEARING LOAN

We adopt a prudent treasury management policy to ensure that our Group maintains a healthy financial position. As at 31 December 2023, our bank and other borrowings amounted to approximately RMB231.0 million (2022: RMB206.9 million), mainly due to new borrowings during the year. As at 31 December 2023, our borrowings were denominated in RMB. Details of the Group's borrowings, including maturities, currencies and interest rates, are set out in note 15 of the consolidated financial statements.

GEARING RATIO

As at 31 December 2023, the Group's gearing ratio was approximately 22.9% (2022: 28.2%). The decrease was mainly due to the higher decrease in total liabilities relatively to total assets. The gearing ratio is calculated as total debt divided by total assets of the Group as at 31 December 2023.

CAPITAL EXPENDITURE

	Year ended 31 December		Year-on-year change %
	2023 (RMB'000)	2022 (RMB'000)	
Servers and other equipment	4,022	183,176	-97.8
Office furniture and leasehold improvement	1,692	639	164.8
Buildings and leasehold land	42,082	—	—
Total	47,796	183,815	-74.0

Our capital expenditure includes servers and other equipment, office furniture and leasehold improvement and buildings and leasehold land. The total capital expenditure for the years ended 31 December 2023 and 2022 was approximately RMB47.8 million and RMB183.8 million, respectively. The decrease was mainly due to the purchase of servers and other equipment for the development of cloud business during 2022, while such purchases decreased in 2023.

FOREIGN EXCHANGE RISK

The Group operates in overseas markets through overseas publishers and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises primarily from recognized assets and liabilities when foreign currency is or will be received from overseas counterparties. For the year ended 31 December 2023, the Group did not have policies to hedge any foreign currency fluctuations.

SIGNIFICANT INVESTMENTS HELD

As of 31 December 2023, (i) the fair value of the investment in Shanghai Silicon was approximately RMB383.5 million; (ii) an unrealised fair value gain on the Group's investment in Shanghai Silicon of approximately RMB3.5 million was accumulatively recognised for the year ended 31 December 2023; and (iii) no dividend/income distribution was received. Accordingly, the fair value of the investment in Shanghai Silicon compared to the Group's total assets as at 31 December 2023 was approximately 16.9% and therefore classified as a significant investment of the Group.

As of 31 December 2023, the Group effectively invested in approximately 2.2% of Shanghai Silicon (correspondingly held approximately 23,150,127 shares in Shanghai Silicon) through indirect shareholding at a total capital commitment of RMB380 million. Shanghai Silicon is a market-leading domestic manufacturer of large-scale semiconductor silicon chips, and is expected to have broad market prospects in the future. Shanghai Silicon's products are widely used in the production of memory chips, central processing units, graphic processing units and various semiconductor components.

The investment in Shanghai Silicon is expected to be for long-term purposes. The Directors are of the view that Shanghai Silicon is positioned as an upstream company of cloud related business, and given the future prospects of large-scale semiconductor silicon chips and it is expected that the Group will be able to generate investment returns from the investment in Shanghai Silicon.

Save as disclosed above, the Group did not have any other significant investments held as of 31 December 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Company did not have other future plans for material investments or capital assets as of 31 December 2023.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any other material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2023.

CHARGE ON ASSETS

As of 31 December 2023, we pledged property, plant and equipment and right-of-use assets as security for loans of RMB221.0 million. For further details, please refer to note 15 to the consolidated financial statements.

Save as disclosed above, as of 31 December 2023, there was no other material charge on the Group's assets.

CONTINGENT LIABILITIES AND GUARANTEES

As of 31 December 2023, save as disclosed in the section headed “Material Legal Proceedings” in this announcement, we did not have any other unrecorded significant contingent liabilities, guarantees or any material litigation against us.

MATERIAL LEGAL PROCEEDINGS

(i) **Legal proceedings commenced by Digital Hollywood Interactive Limited against Qianhai Huanjing and Shenzhen 7Road in April 2020**

On 27 April 2020, Guangzhou Zhang Ying Kong Information Technology Company Limited (廣州掌贏控信息科技有限公司) (“**Zhang Ying Kong**”), a subsidiary of Digital Hollywood Interactive Limited (a company listed on the Stock Exchange, stock code: 2022), as plaintiff, litigated against Qianhai Huanjing and Shenzhen 7Road, each a subsidiary of the Company, as defendants, concerning a game cooperative development agreement (the “**April 2020 Lawsuit**”). The amount of the claims made by Zhang Ying Kong in relation to the April 2020 Lawsuit was approximately RMB11.7 million. The April 2020 Lawsuit was filed to the People's Court of Haizhu District, Guangzhou, the PRC on 18 May 2020 and was subsequently transferred to the Guangzhou Intellectual Property Court on 30 June 2020. On 25 March 2022, the court made a preliminary judgement (“**Preliminary Judgement**”), which held that Qianhai Huanjing shall refund usage fees of approximately RMB6.6 million to Zhang Ying Kong. On 14 December 2023, the second trial's judgment was delivered and the court overruled the Preliminary Judgement, which means Qianhai Huanjing does not need to make any payment to Zhang Ying Kong.

(ii) Legal proceedings commenced by Qianhai Huanjing in March 2021

On 3 March 2021, the Company was informed by Qianhai Huanjing that it, as the plaintiff, filed a lawsuit (the “**March 2021 Lawsuit**”) with the Shenzhen Intermediate People’s Court (the “**Shenzhen Intermediate Court**”) against Proficient City Limited (“**PCL**”), as the defendant, in relation to intellectual property rights dispute over the online game Wartune (神曲), and has received the Notice of Case Acceptance from the Shenzhen Intermediate Court. The amount of the claims made by Qianhai Huanjing in relation to the March 2021 Lawsuit amounted to approximately RMB69.6 million. On 30 June 2022, the court made a preliminary judgement requiring PCL to pay to Qianhai Huanjing the share of payment and income after the termination of the contract in the amount of approximately RMB29 million together with interest thereon. Both parties lodged appeals against the judgment of the first trial. On October 26, 2023, the second trial’s judgement was delivered, which decided the same as the judgment of the first trial save for the fact it did not support PCL paying interest to Qianhai Huanjing for late payment. Qianhai Huanjing has since applied for enforcement regarding the March 2021 Lawsuit. Details of the above legal proceedings are set out in the Company’s announcement dated 3 March 2021.

(iii) Legal proceedings commenced by Qianhai Huanjing in April 2021

On 28 April 2021, Qianhai Huanjing, as the plaintiff, filed a lawsuit (the “**April 2021 Lawsuit**”) with the Shenzhen Intermediate Court against Zhang Ying Kong and Angame Inc., as the defendants, in relation to the intellectual property rights contractual dispute over the mobile game version of the online game DDTank. The amount claimed by Qianhai Huanjing in relation to the April 2021 Lawsuit was approximately RMB60.2 million. On 1 August 2023, the court issued the first judgement and dismissed the lawsuit. Qianhai Huanjing appealed, and on 22 January 2024, the Guangdong Higher People’s Court (the “**Guangdong Higher Court**”) made a second-instance ruling, revoking the first judgement and sending the case back to the Shenzhen Intermediate Court for retrial. As at the date of this announcement, the April 2021 Lawsuit is still pending retrial by the Shenzhen Intermediate Court but is not expected to affect the normal business operations of the Group.

Details of the above legal proceedings are set out in the Company’s announcement dated 28 April 2021.

(iv) Legal proceedings commenced by PCL against Qianhai Huanjing and Shenzhen 7Road in August 2022

On 8 December 2021, PCL, as plaintiff, filed a lawsuit with the Guangdong Higher Court against Shenzhen 7Road and Qianhai Huanjing, as defendants, in relation to a dispute on infringement of trade secret over the online game Wartune (神曲), and Shenzhen 7Road and Qianhai Huanjing had received the Notice to Respond from the Guangdong Higher Court in July and August 2022, respectively (the “**August 2022 Lawsuit**”). The amount of the monetary claims made by PCL in relation to the August 2022 Lawsuit was RMB25 million. Shenzhen 7Road and Qianhai Huanjing had already engaged legal advisors, and the legal advisors had advised them that there is insufficient factual and legal basis for PCL’s claims. As at the date of this announcement, the August 2022 Lawsuit is at the trial stage.

Save as disclosed above, the Group was not involved in any other material legal proceedings during the year ended 31 December 2023.

SUBSEQUENT EVENTS

On 28 March 2023, the Group entered into an equity transfer agreement with an independent third party (the “**Purchaser**”), pursuant to which the Group had conditionally agreed to sell, and the Purchaser agreed to acquire, 100% equity interest in Shanghai Lingsu Network Technology Co., Ltd.* (上海凌素網絡科技有限公司), a indirect wholly owned subsidiary of the Company, at a consideration of RMB14,850,000 (the “**Proposed Disposal**”). As at the date of this announcement, the Proposed Disposal was not completed. For details in respect of the Proposed Disposal, please refer to the announcement of the Company dated 28 March 2024.

Save as disclosed in this announcement, the Group did not have any other significant subsequent events after the year ended 31 December 2023.

FINANCIAL INFORMATION

Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Revenue	3	627,732	540,630
Cost of revenue	7	(244,628)	(279,427)
Gross profit		383,104	261,203
Research and development expenses	7	(168,489)	(129,482)
Selling and marketing expenses	7	(49,837)	(115,563)
Administrative expenses	7	(72,423)	(60,554)
Net provision of impairment losses on financial assets under expected credit loss model	4	(33,626)	(11,446)
Other income	5	5,424	10,056
Other gains or loss, net	6	(180,227)	353,160
Operating (loss)/profit		(116,074)	307,374
Finance income	8	1,172	642
Finance costs	8	(24,719)	(20,820)
Finance costs, net	8	(23,547)	(20,178)
Share of results of associates		(588)	(3,807)
(Loss)/profit before income tax		(140,209)	283,389
Income tax expense	9	(4,685)	(3,783)
(Loss)/profit for the year		(144,894)	279,606
(Loss)/profit attributable to:			
— Owners of the Company		(146,461)	282,499
— Non-controlling interests		1,567	(2,893)
		(144,894)	279,606
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share):			
Basic and diluted	10	(0.0569)	0.1097

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit for the year	(144,894)	279,606
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss</i>		
Fair value changes on financial assets at fair value through other comprehensive income, net of tax	(2,171)	(526)
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences of foreign operations	<u>153</u>	<u>6,549</u>
Other comprehensive income, net of tax	<u>(2,018)</u>	<u>6,023</u>
Total comprehensive (expense)/income for the year	<u>(146,912)</u>	<u>285,629</u>
Total comprehensive (expense)/income attributable to:		
— Owners of the Company	(148,479)	288,522
— Non-controlling interests	<u>1,567</u>	<u>(2,893)</u>
	<u>(146,912)</u>	<u>285,629</u>

Consolidated Statement of Financial Position

At 31 December 2023

		As at 31 December	
		2023	2022
	Notes	RMB'000	RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		214,153	355,190
Right-of-use assets		135,125	211,461
Intangible assets		624,850	626,778
Interests in associates		14,932	16,265
Financial assets at fair value through other comprehensive income		—	2,171
Financial assets at fair value through profit or loss	12	864,443	600,733
Prepayment and other receivables		34,933	92,872
Restricted cash		140	139
Deferred income tax assets		39,541	49,603
		<u>1,928,117</u>	<u>1,955,212</u>
Current assets			
Inventories		—	2,019
Trade receivables	13	169,254	368,329
Prepayment and other receivables		109,184	120,204
Financial assets at fair value through profit or loss	12	19,729	95,626
Restricted cash		1	1
Cash and cash equivalents		48,088	104,747
		<u>346,256</u>	<u>690,926</u>
Current liabilities			
Trade and other payables	14	108,183	239,241
Lease liabilities		87,420	70,913
Bank and other borrowings	15	118,347	55,250
Current income tax liabilities		173	15,814
Contract liabilities		35,354	73,609
		<u>349,477</u>	<u>454,827</u>
Net current (liabilities)/assets		<u>(3,221)</u>	<u>236,099</u>
Total assets less current liabilities		<u>1,924,896</u>	<u>2,191,311</u>

		As at 31 December	
		2023	2022
	<i>Notes</i>	RMB'000	RMB'000
Non-current liabilities			
Lease liabilities		49,503	130,607
Bank and other borrowings	15	112,656	151,627
Deferred income tax liabilities		8,349	8,230
		<u>170,508</u>	<u>290,464</u>
Net assets		<u>1,754,388</u>	<u>1,900,847</u>
EQUITY			
Share capital		90	90
Share premium		4,083,085	4,083,085
Other reserves		(2,964,937)	(2,963,174)
Retained earnings		633,675	780,608
		<u>1,751,913</u>	<u>1,900,609</u>
Total equity attributable to owners of the Company		<u>1,751,913</u>	<u>1,900,609</u>
Non-controlling interests		<u>2,475</u>	<u>238</u>
Total equity		<u>1,754,388</u>	<u>1,900,847</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2023

1 General information

7Road Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 September 2017 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Sertus Chambers, Governors Square, Suite #5–204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1–1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the development and distribution of web games and mobile games in the People’s Republic of China (the “**PRC**”) and other countries and regions (the “**Business**”) as well as the provision of cloud computing services and other cloud-related services in the PRC.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated, and have been approved for issue by the Board of Directors of the Company on 28 March 2024.

2 Material accounting policy information

This note provides a list of the material accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income that are measured at fair values at the end of each reporting period.

As of 31 December 2023, the Group had net current liabilities of approximately RMB3,221,000, out of which approximately RMB35,354,000 was non-refundable contract liabilities.

Taking into account the above factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the next twelve months from the end of the reporting period. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2.2 New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRS issued by the International Accounting Standard Board (“IASB”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except for described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on the application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

2.3 Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16 Amendments to IAS 1	Lease Liability in a Sale and Leaseback ² Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1 Amendments to IAS 7 and IFRS 7 Amendments to IAS 21	Non-current Liabilities with Covenants ² Supplier Finance Arrangements ² Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 Segment information and revenue

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision maker, i.e. the directors of the Company. As a result of this evaluation, the directors of the Company consider that the Group's operations are mainly managed as a single segment during the reporting period and no segment information is presented, accordingly.

As at 31 December 2023 and 2022, the majority of the non-current assets of the Group were located in the PRC.

The Group's revenue for the years ended 31 December 2023 and 2022 are as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Types of goods or services		
Online game revenue		
— Self-development games		
<i>published by the Group</i>	356,996	165,569
<i>published by other publishers</i>	112,961	151,949
— Licensed games		
<i>published by the Group</i>	1,795	1,283
<i>published by other publishers</i>	52	107,253
	471,804	426,054
Sales of game copyrights	—	1,458
Sales of online game technology and publishing solutions services	664	82
Intellectual property licensing	7,159	6,669
Cloud computing and related cloud service	148,105	106,367
	627,732	540,630
Timing of revenue recognition		
— At a point in time	7,823	8,209
— Over time	619,909	532,421
	627,732	540,630
4 Net provision of impairment losses on financial assets under expected credit loss model		
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Impairment losses recognised on:		
— Trade receivables	28,018	5,051
— Other receivables	5,608	6,395
	33,626	11,446

5 Other income

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Government grants (<i>Note a</i>)	3,235	6,312
Refunds of the PRC value-added tax	1,847	3,621
Investment income	—	17
Others	342	106
	<u>5,424</u>	<u>10,056</u>

Note:

(a) There is no unfulfilled condition or contingency in respect of the government grants.

6 Other gains or loss, net

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Fair value changes on financial assets at fair value through profit or loss	(85,373)	31,096
Fair value change on contingent consideration payable for acquisition of a subsidiary	—	(1,429)
(Loss)/gains on disposals of property, plant and equipment and right-of-use assets	(61)	6,381
Gain on disposal of subsidiaries	13	13,083
Gain on disposal of an associate	—	306,200
Impairment loss of an associate	(748)	(6,421)
Foreign exchange gains, net	910	4,187
Impairment loss on property, plant and equipment	(64,827)	—
Impairment loss on right-of-use assets	(30,146)	—
Others	5	63
	<u>(180,227)</u>	<u>353,160</u>

7 Expenses by nature

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Employee benefit expenses	185,264	158,704
Promotion and advertising expenses (<i>Note a</i>)	49,102	115,408
Channel service fee and cost of licensing	9,255	48,523
Utilities and office expenses	2,912	4,110
Outsourced technical service fees	45,552	29,652
Bandwidth and server custody fees	25,941	20,879
Travelling and entertainment expenses	7,238	6,799
Other professional consulting fees	9,827	8,481
Depreciation of property, plant and equipment	89,363	81,514
Depreciation of right-of-use assets	98,262	75,158
Amortisation of intangible assets	2,093	28,020
Short-term lease expenses	2,892	1,131
Auditors' remuneration		
— Audit services	3,465	3,300
— Audit-related services	430	430
Tax and levies	3,362	2,380
Others	419	537
	<u>535,377</u>	<u>585,026</u>

Note:

- (a) Promotion and advertising expenses mainly consist of sales of games and marketing expenses.

8 Finance costs, net

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Finance income		
Interest income on bank balances	729	194
Others	443	448
	<u>1,172</u>	<u>642</u>
Finance costs		
Interest expenses on bank and other borrowings	(17,739)	(10,785)
Interest expenses on lease liabilities	(6,882)	(9,393)
Others	(98)	(642)
	<u>(24,719)</u>	<u>(20,820)</u>
Finance costs, net	<u>(23,547)</u>	<u>(20,178)</u>

9 Income tax expense

The Group's income tax expense for the year is analysed as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current income tax		
— Income tax for the current year	—	(11,132)
— Over-provision in prior years	5,407	—
Deferred income tax	(10,092)	7,349
	<u>(4,685)</u>	<u>(3,783)</u>
Income tax expense	<u>(4,685)</u>	<u>(3,783)</u>

10 (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit attributable to owners of the Company	(146,461)	282,499
Weighted average number of ordinary shares in issue (<i>in thousands</i>)	<u>2,574,268</u>	<u>2,574,268</u>
Basic (loss)/earnings per share for profit attributable to owners of the Company	<u><u>(0.0569)</u></u>	<u><u>0.1097</u></u>

(b) Diluted

For the years ended 31 December 2023 and 2022, no diluted (loss)/earnings per share were presented as there were no potential ordinary shares in issue.

11 Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

12 Financial assets at fair value through profit or loss

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Non-current		
Listed shares and unlisted equity investments in the PRC	315,212	85,569
Unlisted limited partnerships in the PRC	<u>549,231</u>	<u>515,164</u>
	<u>864,443</u>	<u>600,733</u>
Current		
Listed shares in Hong Kong	19,729	25,099
Unlisted trust and fund in the PRC (<i>Note</i>)	<u>—</u>	<u>70,527</u>
	<u>19,729</u>	<u>95,626</u>
	<u><u>884,172</u></u>	<u><u>696,359</u></u>

Note: Unlisted trust and fund represented the Group's investment in an equity-type trust investment product of licensed trusts in the PRC with the term of 24 months commencing from 29 July 2021 (the "Trust"). Upon the expiry of the term of the Trust, no new investment agreement has been entered into between the Group and the administrator of the Trust (the "Administrator"), and the Group 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. With reference to the current position of the Administrator, in the opinion of the Directors, the recoverability of the principal amount of the return on the Trust was remote and loss on fair value change of the Trust of RMB70,527,000 was recognised in profit or loss during the year ended 31 December 2023. The Group will continue to communicate with the Administrator and take all possible measures to safeguard the interests of the Group.

13 Trade receivables

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	209,377	389,435
Less: provision for impairment	(40,123)	(21,106)
	<u>169,254</u>	<u>368,329</u>

The Group's trade receivables were denominated in the following currencies:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
RMB	124,638	289,367
US\$	84,739	98,179
Others	—	1,889
	<u>209,377</u>	<u>389,435</u>

The Group allows a credit period of 30 to 120 days to its customers. The ageing analysis of trade receivables presented based on the dates of delivery of goods and services is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 3 months	44,377	178,786
3 to 6 months	19,128	45,368
6 months to 1 year	17,878	76,932
1 to 2 years	82,216	69,789
Over 2 years	45,778	18,560
	<u>209,377</u>	<u>389,435</u>

14 Trade and other payables

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (<i>Note a</i>)	55,109	121,005
Payroll liabilities	30,826	54,413
Other tax payables	8,362	11,629
Dividend payables	1	1
Listing fee payable	8,278	8,140
Government grants	140	139
Accrued expenses	3,153	2,988
Amounts due to former subsidiaries	—	38,450
Others	2,314	2,476
	<u>108,183</u>	<u>239,241</u>

Notes:

(a) Trade payables

The ageing analysis of trade payables presented based on the invoice date is as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 30 days	20,473	63,572
31 to 60 days	909	5,087
61 to 90 days	—	4,823
91 to 180 days	180	12,103
181 to 365 days	12	26,854
Over 1 year	33,535	8,566
	<u>55,109</u>	<u>121,005</u>

15 Bank and other borrowings

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Secured other borrowings		
— RMB loan (<i>Note a</i>)	181,003	206,877
Secured bank borrowings		
— RMB loan (<i>Note b</i>)	40,000	—
Unsecured bank borrowing		
— RMB loan (<i>Note c</i>)	10,000	—
	<u>231,003</u>	<u>206,877</u>

Notes:

- (a) The Group entered into various finance lease agreements with two companies established in the PRC with limited liability who are both independent third parties of the Group (“Lessors”), to transfer the ownership and lease back of certain servers and other equipment of the Group at a cash consideration totalling RMB256,000,000 (the “Finance Lease Agreements”). Pursuant to the Finance Lease Agreements, the ownership of certain servers and other equipment of the Group was transferred to the Lessors and the Group leased back those servers and other equipment from the Lessors for a term of 48 months. At the end of lease term, the Lessors, subject to the settlement of all outstanding amounts due under the Finance Lease Agreements, agreed to transfer the ownership of those servers and other equipment to the Group at a purchase price ranging from RMB100 to RMB10,000.

The Finance Lease Agreements were not accounted for as a sale in accordance with IFRS 15 since the Group is able to repurchase those servers and other equipment at a price which is significantly lower than its original selling price; and the Finance Lease Agreements were not accounted for as a sale and leaseback transaction in accordance with IFRS 16. Accordingly, the Finance Lease Agreements were accounted for as the Group’s borrowing in accordance with IFRS 9.

The effective interest rate of the other borrowings were ranged from 8.00% to 8.42% per annum. The other borrowings were secured by the property, plant and equipment with carrying amount of approximately RMB202,979,000 (31 December 2022: RMB228,585,000) and trade receivables of RMB15,192,000 and guaranteed by the Company and certain subsidiaries of the Company.

- (b) During the year ended 31 December 2023, the Group received a bank borrowing of RMB40,000,000 at an interest rate of 3.80% per annum. The bank borrowing was secured by the Group’s property, plant and equipment of RMB7,816,000 and right-of-use assets of RMB33,272,000 and guaranteed by a subsidiary of the Company, and repayable within one year.
- (c) During the year ended 31 December 2023, the Group received a bank borrowing of RMB10,000,000 at an interest rate of 3.70% per annum. The bank borrowing was unsecured and guaranteed by a subsidiary of the Company, and repayable within one year.

OTHER INFORMATION AND CORPORATE GOVERNANCE HIGHLIGHTS

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the “AGM”) is expected to be held on Tuesday, 28 May 2024. A notice containing the details of convening the AGM and the book closure of register of members, for the purpose of ascertaining Shareholders’ entitlement to attend the AGM, will be published by the end of April 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares.

FINAL DIVIDEND

The Board did not recommend to declare a final dividend for the year ended 31 December 2023 (for the year ended 31 December 2022: Nil).

COMPLIANCE WITH CG CODE

The Company has complied with all the applicable code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules for the year ended 31 December 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and employees of the Group who, because of their office or employment, are likely to possess inside information in relation to the Group or the Company’s securities.

Having made specific enquiry of all Directors, they have all confirmed that they have complied with the Model Code for the year ended 31 December 2023. In addition, the Company is not aware of any non-compliance of the Model Code by the relevant employees during the year ended 31 December 2023.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Xue Jun, Ms. Li Yiqing and Mr. Lui Chi Ho. Mr. Xue Jun is the chairman of the Audit Committee. The Audit Committee has reviewed the annual results for the year ended 31 December 2023.

SCOPE OF WORK OF THE COMPANY’S AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company’s auditor, Elite Partners CPA Limited, to be the same amounts set out in the Group’s consolidated financial statements for the year ended 31 December 2023.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2023 ANNUAL REPORT

This announcement was published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.7road.com). The annual report of the Group for the year ended 31 December 2023 will be available on the above websites by the end of April 2024.

DEFINITIONS

“ARPPU”	the total revenue generated by the paying users for a particular game, a particular type of games or all of our games, as applicable, during a certain period divided by the number of paying users of the game, the type of games or all of our games, as applicable, during such period
“Audit Committee”	the audit committee of the Board
“average MPUs”	the average number of paying users in the relevant calendar month; average MPUs for a particular period is the average of the MPUs in each month during that period
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“China” or “PRC”	the People’s Republic of China, unless otherwise stated, excludes Hong Kong, the Macau Special Administrative Region and Taiwan herein

“Company”	7Road Holdings Limited (第七大道控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on 6 September 2017 and the Shares of which are listed on the Main Board of the Stock Exchange on 18 July 2018 (Stock Code: 797)
“Contractual Arrangements”	certain contractual arrangements entered into on 13 April 2018 by us
“Director(s)”	the director(s) of the Company
“Group”, “we” or “us”	the Company and all of its subsidiaries and companies whose financial results have been consolidated and accounted as the subsidiaries of the Company by virtue of the Contractual Arrangements, or, where the context so requires, in respect of the period before the Company became the holding company of its current subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“MAUs”	monthly active users, refers to the number of people logged in to specific game(s) in the relevant calendar month; average MAUs for a particular period is the average of the MAUs in each month during that period
“mobile game(s)”	game(s) that is/are played on mobile devices
“Model Code”	the Model Code of Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules

“MPUs”	monthly paying users, refers to the number of paying users in the relevant calendar month
“online game(s)”	video game(s) that is/are played over some form of computer or mobile network
“paying users”	in any given period, (i) paying users of a particular game refers to all registered users who charged their accounts for the game with virtual items purchased from us at least once in such period regardless of whether such virtual items were consumed by the registered users in such period; and (ii) paying users of a particular type or all of our game refers to the simple sum of the paying users of each game of such type or all of our games, as applicable, in such period and a paying users that purchased virtual items for two or more games in such period is counted as two or more paying users in such period
“Qianhai Huanjing”	Shenzhen Qianhai Huanjing Network Technology Co., Ltd.* (深圳市前海幻境網絡科技有限公司), a company established under the laws of the PRC with limited liability on 12 July 2015
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
"Shanghai Silicon"	Shanghai Advanced Silicon Technology Co., Ltd.* (上海超矽半導體股份有限公司), a company established under the laws of the PRC
“Share(s)”	ordinary share(s) of US\$0.000005 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Shenzhen 7Road”	Shenzhen 7Road Technology Co., Ltd.* (深圳第七大道科技有限公司), a company incorporated under the laws of the PRC with limited liability on 22 January 2008, and by virtue of the Contractual Arrangements, accounted for as our subsidiary

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States
“web game(s)”	game(s) that is/are played in a web browser on personal computer without downloading any client base or application
“%”	per cent

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

Wuxi, the PRC
28 March 2024

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 Mr. Lui Chi Ho.

* *For identification purposes only*