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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)

SUPPLEMENTAL ANNOUNCEMENT CONNECTED TRANSACTION PROVISION OF LOAN

Reference is made to the announcement (the “**Announcement**”) of the Company dated 23 April 2024 in relation to, among others, the provision of an unsecured loan to the Borrower. Unless otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to provide the following additional information regarding the Loan:

REPAYMENT HISTORY OF THE LOAN

As disclosed in the Announcement, the outstanding amount of the Loan (inclusive of the principal amount of the Loan plus accrued interest) was HK\$3.71 million (including a sum of HK\$217,214 being repaid on 23 April 2024 as a partial payment of the Loan) as at the date of the Announcement.

The Company would like to supplement that pursuant to the Original Loan Agreement and as disclosed in the Announcement, interest accrued on the Loan shall be payable on the repayment date, which was originally set on 11 October 2020 and thereafter extended to 11 October 2021, 11 October 2023 and 11 October 2025, respectively, by each of the Supplemental Loan Agreements. Accordingly, the due date of accrued interest has also been extended to the corresponding repayment date under each of the Supplemental Loan Agreements.

CREDIT ASSESSMENT

In considering the extension of the Loan pursuant to the Supplemental Loan Agreements (the “**Extension**”), the Company was of the view that the risk of default of the Borrower was relatively low considering the market price of the Company’s shares held by the Borrower.

For illustration purposes, the market value of the shares of the Company held by the Borrower on 8 October 2020, 8 October 2021 and 6 October 2023, being the immediately preceding trading day of the date of the First Supplemental Loan Agreement, Second Supplemental Loan Agreement and the Third Supplemental Loan Agreement, were HK\$1,238.2 million, HK\$1,066.2 million and HK\$881.3 million, respectively, representing more than 200 times compared to the outstanding amount of the Loan as at the date of the relevant Supplemental Loan Agreements. Further, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the shares of the Company held by the Borrower are not subject to any encumbrances since the Original Loan Agreement and up to the date of this Announcement.

In addition, at the time of granting the extensions for the Loan pursuant to the Supplemental Loan Agreements, the Company had on each occasion engaged in active communication with the Borrower and examined the financial statements of the Borrower at the relevant time. It was noted that at the time of each extension, the total net assets of the Borrower amounted to over HK\$1 billion. Further, as the ultimate beneficial owner of the Borrower, namely Mr. Meng, is a Director, the Company was of the view that any follow up action to be undertaken for the recovery of the Loan would face less hindrance.

Accordingly, the Board, taking into account the asset portfolio of the Borrower and the level of interest rate imposed under the Loan Agreements, considered that the Extension was on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders.

The Board would like to further supplement that, for the purposes of prudently resolving the matter and safeguarding the interest of the Company and its Shareholders as a whole, on 6 May 2024, Mr. Meng has voluntarily executed a personal guarantee in favour of the Lender for the due and punctual performance of the payment obligations of the Borrower under the Loan Agreements.

INFORMATION OF THE BORROWER

As disclosed in the Announcement, the Borrower is a company incorporated under the laws of the British Virgin Islands with limited liability and wholly owned by Mr. Meng, the chairman of the Board, an executive Director and a substantial shareholder of the Company. The principal business activity of the Borrower is investment holding.

GENERAL

This announcement is supplemental to and should be read in conjunction with the Announcement. Save as specified herein, the above supplemental information does not affect other information and contents set out in the Announcement.

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

Wuxi, the PRC, 10 May 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.