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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 2024

The Board announces the audited consolidated annual results of the Group (the “**Annual Results**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative information for the year ended 31 December 2023.

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the year ended 31 December	
	2024	2023
	(RMB'000)	(RMB'000)
Revenue	306,396	484,946 ¹
Loss for the year	(74,156)	(144,894)
Loss for the year attributable to owners of the Company	<u>(73,453)</u>	<u>(146,461)</u>

1. Restated.
2. For the year ended 31 December 2024, the total revenue amounted to approximately RMB306.4 million, representing a decrease of approximately 36.8% as compared with the year ended 31 December 2023.
3. For the year ended 31 December 2024, the Company recorded a loss attributable to owners of the Company amounted to approximately RMB73.5 million, representing a decrease of approximately 49.8% as compared with the year ended 31 December 2023.
4. For the year ended 31 December 2024, the Company recorded a loss for the year of approximately RMB75.4 million for its continuing operations, whereas for the year ended 31 December 2023, the Company recorded an earning for the year of approximately RMB3.2 million (restated) for its continuing operations.

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

According to the “2024 Global Games Market Report” (2024全球遊戲市場報告) released by Newzoo in 2024, the global games market size was estimated to be US\$187.7 billion in 2024, and the number of game players around the world was over 3.42 billion, with a year-on-year increase of 4.5%. 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\$92.6 billion in 2024, accounting for 48% of the total revenue of the industry, with a year-on-year increase of 3%; and (ii) the PC games market size accounted for 23% of the total revenue of the industry, reaching US\$43.2 billion with a year-on-year increase of 4.0%. 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 3.42 billion to 3.76 billion by 2027, with the market size reaching US\$213.3 billion.

OUTLOOK FOR 2025

Looking ahead to 2025, we will continue to deepen our presence in the competitive leisure games and MMORPG sectors, adopting a user-centric approach with a global vision to develop premium games. Regarding new product layouts, we remain highly responsive to market trends and actively diversify our product portfolio. The Group plans to advance multiple self-developed or licensed mini-program games in 2025.

We will also intensify our efforts in global market deployment and explore new paths for international development. “DDTank Adventure” (彈彈堂大冒險) in the European region and “Wartune H5” (神曲H5) in the Asia-Pacific region are expected to be launched successively within 2025. We are conducting innovative transformation and development based on the market and user characteristics of Web-based DDTank (頁遊彈彈堂), and it is expected to be launched and introduced to the market within the year.

Multiple mini-program games under the two classic IPs, “DDTank” (彈彈堂) and “Wartune” (神曲), are currently in development or testing, and are expected to be launched within the year. The mobile APP and mini-program multi-platform version of “Gintama” (銀魂集結) is undergoing active optimization of combat and gameplay to further enhance the fun of combat strategy, player stickiness and willingness to pay. It is expected to be tested and launched in the first half of 2025. At the same time, we are actively advancing the collaboration on the 3D mini-program game “I’m MT” (我叫MT) to further explore its IP value. In addition, we are also negotiating the agency distribution cooperation for several other mini-program games.

In 2025, we will further optimize our data analytics capabilities at the technical and operational levels to enhance the accuracy of user profiling, thereby achieving more efficient marketing and operational strategies. We will also continue to deepen the application of AI technology, enhance R&D efficiency and product quality, and empower our business.

Games are creations that bring joyful experiences to users. Building on the foundation of the two major IPs, “DDTank” (彈彈堂) and “Wartune” (神曲), the Group will strive for innovation and in-depth development. We always adhere to a user-centric approach. While providing users with more interesting content, we are committed to creating a higher-quality gaming experience for a wide range of 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 summary, the Group will continue to focus on the value of the Group's core IP, proactively explore the new engine value of mini-program games and improve our gaming product portfolio. At the same time, the Group will control investment risks, optimize resource allocation, and focus on global layout. We will actively respond to changes in technology and in the market, and continuously improve our overall capabilities with the aim of creating more value for our Shareholders.

FINANCIAL REVIEW

Operational Information

During the year ended 31 December 2024, 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 2024, the Group's online game revenue was mainly derived from several well-known games, including "DDTank" (彈彈堂) series, "Wartune" (神曲) series and "I'm MT" (我叫MT).

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 2024, our web games had (i) an average MAUs of approximately 0.9 million; (ii) an average MPUs of approximately 28,000; and (iii) an ARPPU of approximately RMB573; and our mobile games had (a) an average MAUs of approximately 0.6 million; (b) an average MPUs of approximately 49,000; and (c) an ARPPU of approximately RMB530.

The Group has fully withdrawn from providing cloud computing resources and relevant support services to its customers since 28 March 2024.

YEAR ENDED 31 DECEMBER 2024 COMPARED TO THE YEAR ENDED 31 DECEMBER 2023

The following table sets forth the comparative statements of profit or loss for the years ended 31 December 2024 and 2023:

	Year ended 31 December		Year-on-year
	2024	2023	change
	(RMB'000)	(RMB'000)	%
		(Restated)	
Continuing operations			
Revenue	306,396	484,946	-36.8
Cost of revenue	(94,111)	(84,697)	11.1
Gross profit	212,285	400,249	-47.0
R&D expenses	(131,865)	(168,395)	-21.7
Selling and marketing expenses	(63,600)	(49,837)	27.6
Administrative expenses	(45,971)	(59,548)	-22.8
Net provision of impairment losses on financial assets under expected credit loss model	(25,472)	(33,422)	-23.8
Other income	13,952	5,394	158.7
Other gains or losses, net	(19,758)	(85,254)	-76.8
Operating (loss)/profit	(60,429)	9,187	-757.8
Finance income	595	1,113	-46.5
Finance costs	(1,866)	(1,806)	3.3
Finance costs, net	(1,271)	(693)	83.4
Share of results of associates	(1,669)	(588)	183.8
(Loss)/profit before income tax	(63,369)	7,906	-901.5
Income tax expense	(12,062)	(4,685)	157.5
(Loss)/profit for the year from continuing operations	(75,431)	3,221	-2,441.9
Discontinued operations			
Profit/(loss) for the year from discontinued operations	1,275	(148,115)	-100.9
Loss for the year	<u>(74,156)</u>	<u>(144,894)</u>	<u>-48.8</u>

CONTINUING OPERATIONS

REVENUE

The following table sets forth the breakdown of our revenue for the years ended 31 December 2024 and 2023:

	For the year ended 31 December			
	2024		2023	
	(RMB'000)	(% of total revenue)	(RMB'000)	(% of total revenue)
Types of goods or services				
Online game revenue	299,641	97.8%	469,920	96.9%
— Self-development games				
published by the Group	160,671	52.4%	356,996	73.6%
published by other publishers	83,827	27.4%	111,077	22.9%
— Licensed games				
published by the Group	54,099	17.7%	1,795	0.4%
published by other publishers	1,044	0.3%	52	0.0%
Sales of online game technology and publishing solutions services	529	0.2%	664	0.1%
Intellectual property licensing	5,331	1.7%	7,159	1.5%
Cloud related service ⁽¹⁾	895	0.3%	7,203	1.5%
Total	306,396	100.0%	484,946	100.0%

Note:

- (1) The Group has fully withdrawn from the business of cloud computing and related cloud service since 28 March 2024.

For the year ended 31 December 2024, total revenue was approximately RMB306.4 million, representing a decrease of approximately 36.8% as compared with the year ended 31 December 2023. For the year ended 31 December 2024, revenue of the Group's game business was approximately RMB299.6 million, representing a decrease of approximately 36.2% as compared with the year ended 31 December 2023. The decrease in revenue was mainly due to the substantial increase in revenue recorded for the year ended 31 December 2023 generated from the new game launched at the end of 2022 while the revenue recorded for the year ended 31 December 2024 decreased gradually.

COST OF REVENUE

Our cost of revenue mainly comprises employee salary and benefit expenses incurred by our operations departments, bandwidth and server custody fees and cost of game licensing. The cost of revenue amounted to approximately RMB94.1 million for the year ended 31 December 2024, representing an increase of approximately 11.1% as compared to the corresponding period for the year ended 31 December 2023, mainly due to the increase in licensing costs as a result of the growth of licensed games.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit amounted to approximately RMB212.3 million for the year ended 31 December 2024, representing a decrease of approximately 47.0% as compared to approximately RMB400.2 million for the year ended 31 December 2023, which is mainly due to the year-on-year decrease in revenue for the year ended 31 December 2024.

Our gross profit margin was approximately 69.3% for the year ended 31 December 2024, representing a decrease of 13.3 percentage points as compared to that for the year ended 31 December 2023, mainly due to the year-on-year decrease in revenue for the year ended 31 December 2024 while the year-on-year increase in cost of revenue.

EXPENSES

R&D 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 RMB131.9 million for the year ended 31 December 2024, representing a decrease of approximately 21.7% as compared to that for the year ended 31 December 2023. Such decrease was mainly due to our enhanced management of R&D expenses during the Reporting Period, the decrease in employee salary expenses incurred by our R&D department as compared to the corresponding period in 2023.

Administrative Expenses

Our administrative expenses mainly comprise employee salary and benefit expenses, office expenses, property rent expenses, professional consulting service fees and miscellaneous management fees. The administrative expenses were approximately RMB46.0 million for the year ended 31 December 2024, representing a decrease of 22.8% as compared to that for the year ended 31 December 2023. Such decrease was mainly due to a decrease in property rent expenses and miscellaneous management fees as a result of our more efforts in fees management.

Selling and Marketing Expenses

Our selling and marketing expenses mainly comprise advertising expenses incurred by marketing. The selling and marketing expenses amounted to approximately RMB63.6 million for the year ended 31 December 2024, representing an increase of approximately 27.6% as compared to that for the year ended 31 December 2023. Such increase was mainly due to an increase in marketing and promotion expenses incurred by our game operations and distribution as compared to the corresponding period in 2023.

Income Tax

The income tax expenses increased for the year ended 31 December 2024 as compared to the corresponding period in 2023, which was mainly due to the effect of the expiration of preferential tax rates for certain subsidiaries and the changes in matters related to deferred income tax assets of certain subsidiaries. The estimated income tax rates applicable to the Group entities (excluding the entities that are currently tax exempted) for the year ended 31 December 2024 varied from 12.5% to 25% (2023: 12.5%–25%).

(LOSS)/PROFIT FOR THE YEAR

For the year ended 31 December 2024, our loss for the year attributable to owners of the Company from continuing operations amounted to approximately RMB74.7 million, representing a decrease of approximately 4,618.0% as compared with the year ended 31 December 2023. This was mainly attributable to the year-on-year decrease in revenue and gross profit for the year ended 31 December 2024.

DISCONTINUED OPERATIONS

For the year ended 31 December 2024, our discontinued operations recorded a profit for the period of approximately RMB1.3 million as compared to a loss of approximately RMB148.1 million for the year ended 31 December 2023. Details of the discontinued operations are set out in note 9 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 2024, cash and cash equivalents amounted to approximately RMB60.7 million (2023: RMB48.1 million), which were denominated in RMB, representing an increase of approximately 26.1% as compared to the year ended 31 December 2023. Such increase was mainly because we obtained a new bank loan and recovered the relevant investment during the Reporting Period.

INTEREST BEARING LOAN

We adopt a prudent treasury management policy to ensure that our Group maintains a healthy financial position. As at 31 December 2024, our bank and other borrowings amounted to approximately RMB15.0 million (2023: RMB231.0 million). The decrease in total borrowings was mainly because the borrowings balance of approximately RMB191.0 million as at 31 December 2023 was attributable to Shanghai Lingsu, a then-subsiidiary we disposed in the Reporting Period, which was no longer included in the Group's consolidated financial statements upon completion of the disposal. As at 31 December 2024, our borrowings were denominated in RMB, which are at fixed interest rate.

GEARING RATIO

As at 31 December 2024, the Group's gearing ratio was approximately 6.9% (2023: 22.9%). The decrease was mainly due to the disposal of Shanghai Lingsu during the Reporting Period, resulting in a decrease in total borrowings. The gearing ratio is calculated as total debt divided by total assets of the Group as at 31 December 2024.

CAPITAL EXPENDITURE

	Year ended 31 December		Year-on-year
	2024	2023	change
	(RMB'000)	(RMB'000)	%
Servers and other equipment	207	4,022	-94.9
Office furniture and leasehold improvement	21	1,692	-98.8
Buildings and related improvements and leasehold land	16,178	42,082	-61.6
Total	16,406	47,796	-65.7

Our capital expenditure includes servers and other equipment, office furniture and leasehold improvement and buildings and related improvements and leasehold land. The total capital expenditure for the years ended 31 December 2024 and 2023 was approximately RMB16.4 million and RMB47.8 million, respectively. The decrease was mainly due to our purchase of buildings and leasehold land 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 2024, the Group did not have policies to hedge any foreign currency fluctuation.

SIGNIFICANT INVESTMENTS HELD

Investment in Shanghai Silicon

As of 31 December 2024, (i) the fair value of the investment in Shanghai Silicon was approximately RMB391.6 million; (ii) an unrealised fair value gain on the Group's investment in Shanghai Silicon of approximately RMB11.6 million was accumulatively recognised for the year ended 31 December 2024; 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 2024 was approximately 21.7% and therefore classified as a significant investment of the Group.

As of 31 December 2024, the Group effectively invested in approximately 2.0% 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 medium and long-term purposes. Given the future prospects of large-scale semiconductor silicon chips, the Group expects to generate investment returns from the investment in Shanghai Silicon.

Investment in Ningbo Lianjun

As at 31 December 2024, (i) the fair value of the investment in Ningbo Lianjun was approximately RMB116.3 million; (ii) an unrealized fair value gain of the Group's investment in Ningbo Lianjun of approximately RMB11.3 million was accumulatively recognized for the year ended 31 December 2024; and (iii) no dividends/profit distributions have been received. The fair value of the investment in Ningbo Lianjun compared to the Group's total assets as of 31 December 2024 was approximately 6.4%, and is therefore classified as a significant investment of the Group. As at 31 December 2024, the Group effectively invested in approximately 20.98% in Ningbo Lianjun at a total capital investment of RMB105 million. Ningbo Lianjun is a private equity fund in the form of a limited partnership, the investment area of which focuses on the integrated circuit and its upstream and downstream enterprises, with upstream mainly including enterprises engaged in silicon wafers for integrated circuits (including its upstream core equipment and key consumables, etc.), and downstream mainly including key chip design enterprises and those whose major application scenarios, such as automotive networking, internet of things, and autonomous driving applications, are synergistic and growth-oriented. The investment in Ningbo Lianjun is expected to be for medium and long-term purposes. The Board is optimistic about the prospects of the related industry and the Group expect to generate investment returns from the investment in Ningbo Lianjun.

Investment in Nanjing Lingxing

As of 31 December 2024, (i) the fair value of the investment directly held in Nanjing Lingxing was approximately RMB122.3 million; (ii) no unrealised fair value gain on the Group's investment in Nanjing Lingxing was recognised for the year ended 31 December 2024; and (iii) no dividend/profit distribution was received. The fair value of the investment in Nanjing Lingxing compared to the Group's total assets as at 31 December 2024 was approximately 6.8% and therefore classified as a significant investment of the Group.

As of 31 December 2024, the Group directly held an investment of approximately 0.5317% of Nanjing Lingxing (correspondingly held approximately 44,741,619 shares in Nanjing Lingxing) at a total capital investment of RMB122.3 million. Nanjing Lingxing operates a smart travel platform. The investment in Nanjing Lingxing is a medium and long-term investment. Taking into account its industry position, business prospects and its future capitalization plans, the Group expects to receive financial returns from its investment in Nanjing Lingxing.

Save as disclosed above, the Group did not have any other significant investments held as of 31 December 2024.

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 2024.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Disposal of Shanghai Lingsu

On 28 March 2024, Shenzhen 7Road entered into a disposal agreement with Shanghai Canghuo Network Technology Co., Ltd.* (上海蒼火網絡科技有限公司) (“**Shanghai Canghuo**”), pursuant to which Shenzhen 7Road agreed to sell and Shanghai Canghuo agreed to buy 100% of the registered capital of Shanghai Lingsu for a consideration of RMB14.85 million. Upon completion of the said disposal, the Group no longer hold any interest in Shanghai Lingsu. For details on the aforesaid disposal, please refer to the announcement of the Company dated 28 March 2024.

Prior to the completion of the said disposal, Shanghai Lingsu had taken out a loan and obtained three finance leases (collectively, the “**Borrowings**”) from certain financial institutions. The Borrowings were secured by the Group through providing guarantees in favour of such financial institutions. Upon the completion of the Disposal, Shanghai Lingsu ceased to be a subsidiary of the Company, and the Group continued to provide the guarantee for Shanghai Lingsu for a certain period after the completion of the Disposal (the “**Guarantees**”). Regarding to the Guarantees, the Group entered into a counter-guarantee agreement with Shanghai Canghuo and an independent third party (the “**Counter Guarantors**”). Pursuant to the counter-guarantee agreement, the Counter Guarantors jointly provided an unconditional and irrevocable joint liability guarantee to the Group for any of the Group’s obligations under the relevant guarantees. The maximum guaranteed amount of the Group under the Guarantees was RMB120,000,000. Detail of the Guarantee are set out in the Company’s announcement dated 28 March 2024.

As at 31 December 2024, the outstanding balances of Shanghai Lingsu’s each borrowing which guaranteed by the Group was RMB54,155,000, and up to the date of this announcement, the Group was not aware of any default or breaches of a covenant of Shanghai Lingsu’s borrowings. In the opinion of the directors of the Company, the Group’s credit risk regarding the Guarantee was insignificant as in light of the above and the counter-guarantee to the Group has been provided.

Acquisition of the entire partnership interest in Shanghai Lingsuda Technology Partnership (Limited Partnership)* (上海領素達科技合夥企業(有限合夥)) (“Shanghai Lingsuda Partnership”)

On 23 December 2024, Wuxi 7Road Yunrui Equity Investment Management Co., Ltd.* (無錫市七道雲睿股權投資管理有限公司) and Wuxi 7Road Technology Co., Ltd.* (無錫第七大道科技有限公司) (“**Wuxi 7Road Technology**”), being indirect wholly-owned subsidiaries of the Company (collectively, the “**Purchasers**”), entered into two agreements with Beihai Hexi Investment Management Co., Ltd.* (北海和熙投資管理有限公司) and Wuxi Feiye Investment Co., Ltd.* (無錫飛葉投資有限公司) (the “**Sellers**”), pursuant to which the Purchasers agreed to acquire and the Sellers agreed to sell the entire partnership interest in Shanghai Lingsuda Partnership at a total consideration of RMB122,301,724.96. Upon completion of the said acquisition, Shanghai Lingsuda Partnership will become a wholly-owned subsidiary of the Company, and Wuxi 7Road Technology shall still have the obligation to make capital contribution of RMB9,850,000 to Shanghai Lingsuda Partnership. For details on the aforesaid acquisition, please refer to the announcement of the Company dated 23 December 2024.

CHARGE ON ASSETS

As of 31 December 2024, we pledged property, plant and equipment and right-of-use assets as security for loans of RMB15.0 million.

Save as disclosed above, as of 31 December 2024, there was no other material charge on the Group’s assets.

CONTINGENT LIABILITIES AND GUARANTEES

On 8 December 2021, Proficient City Limited (“**PCL**”) filed a lawsuit (the “**Lawsuit**”) with the Guangdong Higher Court against the subsidiaries of the Group, Shenzhen 7Road Technology Co., Ltd. (深圳第七大道科技有限公司) and Qianhai Huanjing Network Technology Co., Ltd. (前海幻境網絡科技有限公司), in relation to a dispute on infringement of trade secret over the online game Wartune (神曲), and the Group had received the Notice to Respond from the Guangdong Higher Court in July and August 2022. On 8 April 2024, the first trial’s judgment was delivered and the court dismissed all the plaintiff’s claims. Upon the expiration of the appeal period, neither party appealed, and the first trial’s judgment became effective, which means Qianhai Huanjing and Shenzhen 7Road do not need to make any payment to PCL. Accordingly, the lawsuit no longer constitutes a contingent liability for the Group as at 31 December 2024.

As disclosed in the section headed “Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures” in this announcement, as at 31 December 2024, the outstanding balances of Shanghai Lingsu’s various borrowings which were guaranteed by the Group was RMB54,155,000, and up to the date of this announcement, the Group was not aware of any default or breaches of a covenant of Shanghai Lingsu’s borrowings. In the opinion of the directors of the Company, the Group’s credit risk regarding the Guarantee was insignificant as in light of the above and the Counter Guarantors has provided counter-guarantee to the Group.

Save as disclosed above, we did not have any other unrecorded significant contingent liabilities, guarantees or any material litigation against us.

MATERIAL LEGAL PROCEEDINGS

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 People’s Court against Guangzhou Zhang Ying Kong Information Technology Company Limited (廣州掌贏控信息科技有限公司) (“**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 made a second-instance ruling, revoking the first judgement and sending the case back to the Shenzhen Intermediate People’s Court for retrial. As at the date of this announcement, the April 2021 Lawsuit is still pending retrial by the Shenzhen Intermediate People’s 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.

Save as disclosed above, the Group was not involved in any other material legal proceedings during the year ended 31 December 2024.

SUBSEQUENT EVENTS

The Group did not have any other significant subsequent events after the year ended 31 December 2024.

FINANCIAL INFORMATION

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Continuing operations			
Revenue	3	306,396	484,946
Cost of revenue	10	<u>(94,111)</u>	<u>(84,697)</u>
Gross profit		212,285	400,249
Research and development expenses	10	(131,865)	(168,395)
Selling and marketing expenses	10	(63,600)	(49,837)
Administrative expenses	10	(45,971)	(59,548)
Net provision of impairment losses on financial assets under expected credit loss model	4	(25,472)	(33,422)
Other income	5	13,952	5,394
Other gains or loss, net	6	<u>(19,758)</u>	<u>(85,254)</u>
Operating (loss)/profit		(60,429)	9,187
Finance income		595	1,113
Finance costs		<u>(1,866)</u>	<u>(1,806)</u>
Finance costs, net	7	(1,271)	(693)
Share of results of associates		<u>(1,669)</u>	<u>(588)</u>
(Loss)/profit before income tax		(63,369)	7,906
Income tax expense	8	<u>(12,062)</u>	<u>(4,685)</u>
(Loss)/profit from continuing operations		(75,431)	3,221
Discontinued operation			
Profit/(loss) from discontinued operation	9	<u>1,275</u>	<u>(148,115)</u>
Loss for the year		(74,156)	(144,894)

	Notes	2024 RMB'000	2023 RMB'000 (Restated)
Other comprehensive (expense)/income:			
<i>Items 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)
		—	(2,171)
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences of foreign operations		(383)	153
		(383)	153
Other comprehensive expense for the year, net of tax		(383)	(2,018)
Total comprehensive expense for the year		(74,539)	(146,912)
(Loss)/profit for the year attributable to:			
Owners of the Company			
— Continuing operations		(74,728)	1,654
— Discontinued operation		1,275	(148,115)
		(73,453)	(146,461)
Non-controlling interests			
— Continuing operations		(703)	1,567
		(703)	1,567
		(74,156)	(144,894)
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		(73,836)	(148,479)
Non-controlling interests		(703)	1,567
		(74,539)	(146,912)
Basic and diluted loss per share (RMB)			
	12		
— Continuing and discontinued operations		(0.0285)	(0.0569)
— Continuing operations		(0.0290)	0.0006
— Discontinued operation		0.0005	(0.0575)

Consolidated Statement of Financial Position

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		34,149	214,153
Intangible assets		624,512	624,850
Right-of-use assets		40,791	135,125
Investments in associates		10,821	14,932
Prepayments and other receivables		—	34,933
Financial assets at fair value through profit or loss	14	809,450	864,443
Restricted cash		140	140
Deferred income tax assets		27,522	39,541
		<u>1,547,385</u>	<u>1,928,117</u>
Current assets			
Trade receivables	13	68,591	169,254
Prepayments and other receivables		95,009	109,184
Financial assets at fair value through profit or loss	14	18,603	19,729
Restricted cash and short-term deposits		14,378	1
Cash and cash equivalents		60,653	48,088
		<u>257,234</u>	<u>346,256</u>
Current liabilities			
Trade and other payables	15	65,158	108,183
Bank and other borrowings		15,000	118,347
Contract liabilities		27,680	35,354
Lease liabilities		5,772	87,420
Current income tax liabilities		173	173
		<u>113,783</u>	<u>349,477</u>
Net current asset/(liabilities)		<u>143,451</u>	<u>(3,221)</u>
Total assets less current liabilities		<u>1,690,836</u>	<u>1,924,896</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current liabilities		
Bank and other borrowings	—	112,656
Lease liabilities	2,693	49,503
Deferred income tax liabilities	8,532	8,349
	<u>11,225</u>	<u>170,508</u>
Net assets	<u>1,679,611</u>	<u>1,754,388</u>
EQUITY		
Share capital	90	90
Share premium	4,083,085	4,083,085
Other reserves	(2,965,320)	(2,964,937)
Retained earnings	560,222	633,675
Total equity attributable to owners of the Company	<u>1,678,077</u>	<u>1,751,913</u>
Non-controlling interests	<u>1,534</u>	<u>2,475</u>
Total equity	<u>1,679,611</u>	<u>1,754,388</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

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 (together, 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 and as well as the provision of cloud computing services and other cloud related services in the PRC. During the year, a major line of operation of provision of cloud computing services and other cloud related service in the PRC was discontinued.

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 2025.

2. Adoption of New and Revised IFRS Accounting Standards

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. Segment Information and Revenue

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

As at 31 December 2024 and 2023, 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 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Revenue from continuing operations		
Types of goods or services		
Online game revenue		
— Self-development games		
<i>published by the Group</i>	160,671	356,996
<i>published by other publishers</i>	83,827	111,077
— Licensed games		
<i>published by the Group</i>	54,099	1,795
<i>published by other publishers</i>	1,044	52
	299,641	469,920
Sales of online game technology and publishing solutions services	529	664
Intellectual property licensing	5,331	7,159
Cloud related service	895	7,203
	306,396	484,946
Revenue from discontinued operation		
Types of goods or services		
Online game revenue		
— Self-development games		
<i>published by other publishers</i>	—	1,884
Cloud revenue		
— Cloud computing service	31,482	140,902
	31,482	142,786
Total revenue	337,878	627,732

Timing of Revenue Recognition:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
Continuing operations		
At a point in time	5,860	7,823
Over time	300,536	477,123
	<u>306,396</u>	<u>484,946</u>
Discontinued operation		
Over time	31,482	142,786
	<u>337,878</u>	<u>627,732</u>

Revenue From Major Customers:

Revenue from major customers individually accounting for 10% or more of total revenue for continuing operations is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	34,750	—
Customer B	<u>—</u>	<u>150,301</u>

Note: Customer A did not meet the threshold of accounting for 10% or more of total revenue in the year ended 31 December 2023. Customer B did not meet the threshold of accounting for 10% or more of total revenue in the year ended 31 December 2024.

4. Net Provision of Impairment Losses on Financial Assets Under Expected Credit Loss Model

	2024 RMB'000	2023 RMB'000 (Restated)
Impairment losses recognised on:		
— trade receivables	22,807	28,018
— other receivables	2,669	5,608
	<u>25,476</u>	<u>33,626</u>
Representing:		
Continuing operations	25,472	33,422
Discontinued operation (<i>Note 9</i>)	4	204
	<u>25,476</u>	<u>33,626</u>

5. Other Income

	2024 RMB'000	2023 RMB'000 (Restated)
Government grants	2,614	3,235
Refunds of the PRC value-added tax	1,745	1,847
Gain on disposal of a cloud business contract	10,700	—
Penalty on lease termination	(728)	—
Others	(373)	342
	<u>13,958</u>	<u>5,424</u>
Representing:		
Continuing operations	13,952	5,394
Discontinued operation (<i>Note 9</i>)	6	30
	<u>13,958</u>	<u>5,424</u>

6. Other Gains or Loss, Net

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
Fair value changes on financial assets at fair value through profit or loss	(19,467)	(85,373)
Gains/(loss) on disposals of property, plant and equipment and right-of-use assets	121	(61)
Gain on disposal of subsidiaries	—	13
Gain on disposal of an associate	822	—
Impairment loss of an associate	(3,261)	(748)
Foreign exchange gains, net	977	910
Impairment loss on property, plant and equipment	—	(64,827)
Impairment loss on right-of-use assets	—	(30,146)
Others	1,050	5
	<u>(19,758)</u>	<u>(180,227)</u>
Representing:		
Continuing operations	(19,758)	(85,254)
Discontinued operation (<i>Note 9</i>)	—	(94,973)
	<u>(19,758)</u>	<u>(180,227)</u>

7. Finance Costs, Net

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
Finance income		
Interest income on bank balances	343	729
Others	<u>252</u>	<u>443</u>
	<u>595</u>	<u>1,172</u>
Finance costs		
Interest expenses on bank and other borrowings	(4,572)	(17,739)
Interest expenses on lease liabilities	(1,591)	(6,882)
Others	<u>(852)</u>	<u>(98)</u>
	<u>(7,015)</u>	<u>(24,719)</u>
Finance costs, net	<u>(6,420)</u>	<u>(23,547)</u>
Representing:		
Continuing operations	(1,271)	(693)
Discontinued operation (<i>note 9</i>)	<u>(5,149)</u>	<u>(22,854)</u>
	<u>(6,420)</u>	<u>(23,547)</u>

8. Income Tax Expense

	2024 RMB'000	2023 <i>RMB'000</i> (Restated)
Current income tax		
— Income tax for the current year	—	—
— (Under)/over provision in prior years	<u>(68)</u>	<u>5,407</u>
	(68)	5,407
Deferred tax	<u>(11,994)</u>	<u>(10,092)</u>
	<u>(12,062)</u>	<u>(4,685)</u>

9. Discontinued Operation

The Group's loss for the year is stated after (charging)/crediting the following:

	2024 RMB'000	2023 <i>RMB'000</i>
Loss from discontinued operation	(8,167)	(148,115)
Gain on disposal of discontinued operation	<u>9,442</u>	<u>—</u>
Profit/(Loss) for the period from discontinued operation	<u>1,275</u>	<u>(148,115)</u>

On 28 March 2024, the Group entered into an equity transfer agreement with an independent third party to dispose of the entire equity interests in Shanghai Lingsu, an indirect wholly-owned subsidiary of the Company that carried out the Group's cloud computing and related services at a consideration of RMB14,850,000. The disposal was completed on 11 April 2024 on which date control of Shanghai Lingsu and its subsidiaries passed to the acquirer. The Group's major line of cloud computing and related services is treated as discontinued operation.

The results of the major line of cloud computing and related services in the PRC for the period from 1 January 2024 to 11 April 2024, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	31,482	142,786
Cost of revenue	(33,319)	(159,931)
Gross loss	(1,837)	(17,145)
Research and development expenses	—	(94)
Administrative expenses	(1,183)	(12,875)
Net provision of impairment losses on financial assets under expected credit loss model	(4)	(204)
Other income	6	30
Other gains or loss, net	—	(94,973)
Operating loss	(3,018)	(125,261)
Finance income	—	59
Finance costs	(5,149)	(22,913)
Finance costs, net	(5,149)	(22,854)
Loss before income tax	(8,167)	(148,115)
Income tax expense	—	—
Loss from discontinued operation	(8,167)	(148,115)
Net cash inflow from operating activities	44,207	106,662
Net cash outflow from investing activities	—	(9,933)
Net cash outflow used in financing activities	(44,239)	(97,484)
Net cash used in the subsidiary	(32)	(755)

10. Expenses By Nature

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i> (Restated)
Continuing operations		
Amortisation of intangible assets	366	2,093
Auditors' remuneration		
— Audit services	3,100	3,465
— Audit-related services	430	430
Bandwidth and server custody fees	11,486	25,926
Channel service fee and cost of licensing	46,490	9,254
Depreciation of property, plant and equipment	6,965	9,119
Depreciation of right-of-use assets	7,347	18,806
Employee benefit expenses	125,413	175,094
Outsourced technical service fees	51,592	44,062
Other professional consulting fees	8,531	8,939
Promotion and advertising expenses	63,883	49,102
Short-term lease expenses	1,906	2,487
Travelling and entertainment expenses	4,447	7,102
Tax and levies	996	3,330
Utilities and office expenses	2,262	2,850
Others	333	418
	<u>335,547</u>	<u>362,477</u>

11. Dividends

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the Reporting Period (2023: Nil).

12. Loss Per Share

Basic Loss Per Share

The basic loss per share for the year ended 31 December 2024 and 2023 is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2024 RMB'000	2023 RMB'000 (Restated)
Loss attributable to owners of the Company:		
— Continuing operations	(74,728)	1,654
— Discontinued operation	1,275	(148,115)
	<hr/>	<hr/>
— Continuing and discontinued operations	(73,453)	(146,461)
	<hr/>	<hr/>
	2024 '000	2023 '000
Weighted average number of ordinary shares for the year ended 31 December	2,574,268	2,574,268
	<hr/>	<hr/>
Basic loss per share (RMB)		
— Continuing and discontinued operations	(0.0285)	(0.0569)
	<hr/>	<hr/>
— Continuing operations	(0.0290)	0.0006
	<hr/>	<hr/>
— Discontinued operation	0.0005	(0.0575)
	<hr/>	<hr/>

Diluted Loss Per Share

The diluted loss per share equals to the basic loss per share, as the Company did not have any dilutive potential ordinary sharing for the years ended 31 December 2024 and 2023.

13. Trade Receivables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	131,521	209,377
Provision for loss allowance	(62,930)	(40,123)
	<hr/>	<hr/>
Carrying amount	<u>68,591</u>	<u>169,254</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:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	38,993	44,377
3 to 6 months	1,756	19,128
6 months to 1 year	1,805	17,878
1 to 2 years	2,049	82,216
Over 2 years	86,918	45,778
	<hr/>	<hr/>
	<u>131,521</u>	<u>209,377</u>

14. Financial Asset at Fair Value Through Profit or Loss

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current		
Listed shares and unlisted equity investments in the PRC (<i>Note a</i>)	263,693	315,212
Unlisted limited partnerships in the PRC (<i>Note b</i>)	545,757	549,231
	809,450	864,443
Current		
Listed shares in Hong Kong (<i>Note c</i>)	18,603	19,729
Total	828,053	884,172

Notes

(a) Listed equity shares and unlisted equity investments in the PRC

As at 31 December 2024, the Group held 1 listed equity shares in the PRC (2023: 1) and 7 unlisted equity investments in the PRC (2023: 8). The Group's major listed equity shares and unlisted equity investments are described as below:

- (i) During the year ended 31 December 2023, the Group invested RMB40 million to acquire 16.67% equity interests in a company engaged in provision of the equipment and technology of internet data centre ("IDC") liquid cooling and IDC services. The Group classified the investment as financial assets at fair value through profit or loss.
- (ii) During the year ended 31 December 2023, the Group entered into an agreement to purchase the convertible debt instrument issued by a company principally engaged in cloud-related business and IDC related business at a cash consideration of RMB60 million. The principal and interest of the convertible debt instrument shall be repayable within 3 years unless the Group choose to convert it into equity investment at the price pre-determined in the agreement. The convertible debt instrument carried interest at 8%. The Group classified the convertible debt instrument as financial assets at fair value through profit or loss.
- (iii) During the year ended 31 December 2024, the Group invested RMB122.3 million to acquire 0.5317% equity interests in a company engaged in operating a smart travel platform in the PRC. The Group classified the investment as financial assets at fair value through profit or loss.

(b) Unlisted limited partnerships in the PRC

As at 31 December 2024, the Group held 6 unlisted limited partnership in the PRC (2023: 5). The Group's major unlisted limited partnerships are described as below:

- (i) During the year ended 31 December 2023, the Group invested two limited partnerships established in the PRC with a total capital commitment of RMB380 million. The principal asset held by these two limited partnerships are the investment in Shanghai Silicon, a company established under the laws of the PRC. Shanghai Silicon is principally engaged in the manufacture of large-scale semiconductor silicon chips in the PRC. As at 31 December 2024, the Group effectively held 2.0% equity interests in Shanghai Silicon (2023: 2.2%) through these two limited partnerships. The Group is acting as a limited partner and does not have control, joint control or significant influence over these limited partnerships. Accordingly, the investments in these two limited partnerships are accounted for as a financial asset at fair value through profit or loss.
- (ii) During the year ended 31 December 2024 and 2023, the Group invested RMB13.5 million and RMB105 million respectively in two limited partnerships established in the PRC. The principal asset held by the two limited partnerships is an investment in a company principally engaged in operating a smart travel platform in the PRC. The Group is acting as a limited partner and does not have control, joint control or significant influence over the two limited partnerships. Accordingly, the investment in the two limited partnerships is accounted for as a financial asset at fair value through profit or loss.

(c) Listed shares in Hong Kong

The balance represents the Group's investment in various equity securities listed in Hong Kong stock markets.

15. Trade and Other Payables

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	21,420	55,109
Payroll liabilities	22,543	30,826
Other tax payables	5,276	8,362
Dividend payables	1	1
Listing fee payable	—	8,278
Government grants	140	140
Accrued expenses	15,754	3,153
Others	24	2,314
	<u>65,158</u>	<u>108,183</u>

The aging analysis of trade payables, based on recognition date of trade payables, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
0 to 30 days	20,777	20,473
31 to 60 days	25	909
61 to 90 days	80	—
91 to 180 days	—	180
181 to 365 days	6	12
Over 1 year	532	33,535
	<u>21,420</u>	<u>55,109</u>

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, 20 May 2025. 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 2025.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares (including treasury shares).

Final Dividend

The Board did not recommend to declare a final dividend for the year ended 31 December 2024 (for the year ended 31 December 2023: 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 2024.

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 2024. 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 2024.

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 2024.

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 and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Company’s auditor, ZHONGHUI ANDA CPA Limited, to be the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2024 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 2024 will be available on the above websites by the end of April 2025.

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 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

“Nanjing Lingxing”	Nanjing Lingxing Technology Co., Ltd.* (南京領行科技股份有限公司), a joint stock company with limited liability established under the laws of the PRC
“Ningbo Lianjun”	Ningbo Meishan Bonded Port Area Lianjun Investment Management Partnership (Limited Partnership)*(寧波梅山保稅港區聯珺投資管理合夥企業(有限合夥)), a partnership established under the laws of the PRC
“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 Lingsu”	Shanghai Lingsu Network Technology Co., Ltd.* (上海凌素網絡科技有限公司), a company established under the laws 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
“treasury shares”	has the meaning ascribed thereto under the Listing Rules
“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

Shenzhen, the PRC
28 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Meng Shuqi, Mr. Liu Zhizhen 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 purposes only*