

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

### **VOLUNTARY ANNOUNCEMENT FRAMEWORK AGREEMENT IN RESPECT OF A POTENTIAL INVESTMENT**

This announcement is made by 7Road Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) voluntarily.

#### **FRAMEWORK AGREEMENT IN RESPECT OF A POTENTIAL INVESTMENT**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on January 20, 2020 (after trading hours), Wuxi 7Road Technology Co., Ltd. (無錫第七大道科技有限公司), a wholly-owned subsidiary of the Company (“**Wuxi 7Road**”), as the potential investor, entered into a framework agreement (the “**Framework Agreement**”) in relation to an investment (the “**Potential Investment**”) in an information technology company (the “**Target Company**”) with the potential cooperative parties, including the Target Company, the controlling shareholders of the Target Company and the relevant authorities in the place where the Target Company is located (the “**Relevant Authorities**”) (the “**Potential Cooperative Parties**”). Upon the completion of the Potential Investment, the Target Company is expected to become a non-wholly owned subsidiary of Wuxi 7Road.

Pursuant to the Framework Agreement, Wuxi 7Road, as the potential investor, shall invest in the Target Company and, meanwhile exerting its own advantage in the industry, perform businesses coordination and integrate industry resources, by further facilitating the game business development of the Company through the construction and operation of game cloud, clouding storage, big data and etc. of the Target Company, in order to be well-arranged in the cloud gaming business and game cloud business. The Potential Cooperative Parties are willing to, according to respective industry policies and schemes, promote the clustering of relevant industries in the area where the Project (as defined below) undergo and support the development of the Project.

## **INFORMATION ABOUT THE POTENTIAL COOPERATIVE PARTIES**

The Potential Cooperative Parties are the Target Company, the controlling shareholders of the Target Company and the Relevant Authorities. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Potential Cooperative Parties and their ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules) of the Company.

## **INFORMATION ABOUT THE TARGET COMPANY**

The Target Company is a limited company established under the laws of the PRC, located in Shanghai and wholly-owned by an enterprise solely invested by the state. The Target Company is principally engaged in information technology, intelligent technology, computer technology, network technology, cloud software and related services. Currently, the Target Company is planning to establish and operate research and development facilities and businesses for game cloud, big data, artificial intelligence, cloud computing and storage services in the Yangtze River Delta regions (the "Project").

## **DETAILS OF THE POTENTIAL INVESTMENT**

Details of the Potential Investment, including but not limited to the percentage of acquired interest in the Target Company, the consideration, procedure and time arrangement of the Potential Investment, relevant preliminary work to ensure a normal operation of the Project, coordination and cooperation for a considerable amount of cabinets leased after the completion of the Project and/or the cooperation framework in relation to the potential cooperation with top players of the industry, will be subject to further negotiation between the parties to the Framework Agreement as well as the respective internal approval procedures of the parties and will be reflected in formal transaction documents.

## REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

Our Group mainly engages in gaming industry and is paying close attention to the high-tech development trend which is related to our industry. Our Group will focus on our game business and actively expand our business to gaming-related areas such as game cloud, cloud gaming and big data. Entering into the Framework Agreement is a concrete step taken by our Group to implement this strategy. The Potential Investment, if implemented, is expected to bring about a significant, long-term and positive impact on the Group's future operations. The Board believes that the Potential Investment will provide our Group with opportunity to expand our game business, penetrate into the cloud gaming and game cloud business sector, further enhance our long-term sustainability and profitability and generating value for the Company and its shareholders (the “Shareholders”). The Directors (including all the independent non-executive Directors) further consider that the entering into of the Framework Agreement is necessary for the implementation of the Potential Investment and the terms of the Framework Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## GENERAL

The Board wishes to emphasize that, the formal investment agreement in relation to the Potential Investment has not been entered into by the Company with any party as at the date of this announcement. If the Potential Investment materializes, the Board considers that it may constitute a disclosable transaction of the Company or above under Chapter 14 of the Listing Rules. The Company will comply with the disclosure and approval requirements under the Listing Rules as and when appropriate.

The materialization of the Potential Investment will be subject to the Group and the Potential Cooperative Parties agreeing on the details of the Potential Investment mentioned above and the respective internal approval procedures of the parties. Shareholders and potential investors are advised to exercise caution when dealing in the shares in the Company. The Company will make further announcement(s) as and when appropriate pursuant to the requirements under the Listing Rules.

By Order of the Board  
**7Road Holdings Limited**  
**Meng Shuqi**  
*Chairman*

Wuxi, the PRC, 23 January 2020

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