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**Joy Spreader Group Inc.**  
**樂享集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6988)**

## **FINANCE AND BUSINESS UPDATE OF THE GROUP**

This announcement is made by Joy Spreader Group Inc. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After the preliminary review on the unaudited consolidated management accounts of the Group as of June 30, 2022 and the information currently available to the board of directors (the “**Board**”) of the Company, the Group expects, for the six months ended June 30, 2022 (the “**First Half Year of 2022**”), to record (i) a revenue of approximately HK\$1,300.00 million to HK\$1,380.00 million, which represents an increase ranging approximately between 108.22% and 121.04% as compared with that of HK\$624.33 million for the six months ended June 30, 2021 (the “**Corresponding Period**”); and (ii) a gross profit of approximately HK\$185.00 million to HK\$205.00 million, which represents a decrease ranging approximately between 13.58% and 4.24% as compared with that of HK\$214.07 million for the Corresponding Period.

The Board is of the view that the change in the financial results for the First Half Year of 2022 is mainly attributable to the following factors: (1) The reason for significant growth in the Group’s revenue is that the Group’s overseas E-commerce business achieved a significant growth in revenue for the First Half Year of 2022. This business is in the stage of rapidly seizing market space and its scale is constantly expanding. The Group’s investment in this business continues to increase. Especially the business scale in Southeast Asia region grows rapidly; (2) The reason for significant growth in the Group’s revenue for the First Half Year of 2022 but lack of significant growth in gross profit is that the overseas E-commerce business is in the stage of seizing market space. In order to enlarge market share and expand more marketing channels and selling channels, the Company has subsidized this business and offered preferential strategies to sellers, resulting in a relatively small contribution to the Group’s gross profit from this business; (3) The main reasons for decrease in revenue scale and gross profit of the Group’s domestic business for the First Half Year of 2022 as compared with the Corresponding Period are: (a) due to the tightened regulatory approval of game copyright number for the First Half Year of 2022, the Group’s new products of interactive entertainment business were restricted, which affected the revenue and gross profit of this business; and (b) due to the pandemic, logistics, warehousing and other industrial chains in relation to the Group’s domestic E-commerce business, especially in East China region with

Shanghai as the core, have been impacted, resulting in a slight decrease in the scale of marketing business for domestic E-commerce products for the First Half Year of 2022 as compared with the Corresponding Period; and (4) The reason for the Group's gross profit for the First Half Year of 2022 remained relatively stable notwithstanding the two factors mentioned in point (3) above was that the Group actively expanded its overseas E-commerce business, which alleviated the impact of unfavorable factors in the domestic market on us.

The Group will actively enrich product categories of domestic E-commerce products, expand its performance-based marketing business in respect of other applications other than games, improve the layout of new businesses such as cultural content and digital assets and continuously increase investments in overseas E-commerce business in the second half of this year. The Board has confidence in the Company's future business development and operating performance.

The Company is in the process of finalizing the financial results of the Group for the First Half Year of 2022. The information contained in this announcement is only based on the preliminary review made by the management of the Company on the unaudited consolidated management accounts of the Group as of June 30, 2022 and other information currently available, and is not based on any figure or information that has been audited or reviewed by the auditors of the Company. The actual results of the Group for the First Half Year of 2022 may be different from the information contained in this announcement.

For details of the financial information of the Group for the First Half Year of 2022, please refer to the results announcement of the Company for the First Half Year of 2022 which is expected to be published by the end of August 2022.

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

By order of the board  
**Joy Spreader Group Inc.**  
**Zhu Zinan**  
*Chairman*

Beijing, the PRC, August 15, 2022

*As at the date of this announcement, the board of directors comprises Mr. Zhu Zinan, Mr. Cheng Lin, Ms. Qin Jiixin and Mr. Sheng Shiwei as executive Directors; Mr. Hu Qingping and Mr. Hu Jiawei as non-executive Directors; and Mr. Xu Chong, Mr. Tang Wei and Mr. Fang Hongwei as independent non-executive Directors.*