Joy Spreader Interactive Technology. Ltd

乐享互动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6988)

POSITIVE PROFIT ALERT

This announcement is made by Joy Spreader Interactive Technology. Ltd (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 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 December 31, 2020 and the information currently available to the board of directors (the "**Board**") of the Company, the Group expects, for the year ended December 31, 2020 (the "**Year**"), to record (i) a revenue ranging from approximately HK$880 million to approximately HK$920 million, compared with the revenue of approximately HK$538 million (approximately RMB474 million) for the year ended December 31, 2019 (the "**Corresponding Period**"), therefore representing an increase ranging from approximately 63.6% to 71.0% as compared to the Corresponding Period; (ii) a gross profit ranging from approximately HK$260 million to HK$300 million, compared with the gross profit of approximately HK$133 million (approximately RMB117 million) for the Corresponding Period, therefore representing an increase ranging from approximately 95.5% to 125.6% as compared to the Corresponding Period; and (iii) a profit before exchange gains and losses ranging from approximately HK$170 million to HK$200 million, and a profit after exchange gains and losses ranging from approximately HK$120 million to HK$150 million representing an increase ranging from approximately 123.7% to 163.2% in profit before exchange gains and losses as compared to the Corresponding Period, and an increase ranging from approximately 57.9% to 97.4% in profit after exchange gains and losses as compared to the Corresponding Period during which period there were no exchange gains and losses and profit after exchange gains and losses was approximately HK$76 million (approximately RMB67 million).

The exchange gains and losses for the Year were affected by changes in the exchange rate between HK$ and RMB and the exchange losses mainly arose from the conversion of proceeds from the listing of the Company in HK$ into RMB by using the period-end exchange rate.

The part of the above HK$ data converted from RMB, in accordance with the International Financial Reporting Standards, is calculated by using the actual exchange rate at the time of conversion or the period-end exchange rate.

The Board is of the view that the increase in the financial results for the Year is mainly attributable to the following factors: (1) the steady increase in the number of customers of the industry of the Group; (2) the steady increase in the number of users of the Group's we-media monetization services (realized through SaaS platform); (3) the rapid development of industries such as mobile games, online reading and e-commerce in 2020; (4) the short-form video e-commerce industry becoming more mature; and (5) the Group's well-established reputation in the market.

The Company is in the process of finalizing the financial results of the Group for the Year. 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 December 31, 2020 and information currently available, and is not based on any figure or information that has been audited or reviewed by the auditor of the Company. The actual results of the Group for the Year may be different from the information contained in this announcement. For details of the financial information of the Group for the Year, please refer to the annual results announcement of the Company for the Year which is expected to be published in March 2021.

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

By order of the Board
Joy Spreader Interactive Technology. Ltd
Zhu Zinan
Chairman

Beijing, the PRC, February 8, 2021

As at the date of this announcement, the Board comprises Mr. Zhu Zinan, Mr. Zhang Zhidi and Mr. Cheng Lin as executive Directors; Mr. Guo Sijia, Mr. Hu Qingping and Ms. Chen Yuanyuan as non-executive Directors; and Mr. Xu Chong, Mr. Tang Wei, Mr. Fang Hongwei and Mr. Yap Jin Meng Bryan as independent non-executive Directors.