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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)**

**VOLUNTARY ANNOUNCEMENT**  
**FULLY EXEMPTED CONNECTED TRANSACTION**  
**JOINT INVESTMENT IN THE MIXED-OWNERSHIP REFORM OF A**  
**CENTRAL STATE-OWNED CULTURAL ENTERPRISE BY THE COMPANY**  
**AND ITS CONTROLLING SHAREHOLDER**

**Investment in the Mixed-Ownership Reform of a Subsidiary of Poly Film, a Central State-Owned Cultural Enterprise**

The Board is pleased to announce that on March 29, 2022, Lexiang Huayue (樂享華悅) (also known as “Lexiang Culture Technology”, a wholly-owned subsidiary of the Company) and Sanya Jiuming (三亞九溟) (controlled by our Controlling Shareholder Mr. Zhu Zinan) entered into the Investment Agreement with Poly Film (a central state-owned cultural enterprise) and Poly Boyi (a wholly-owned subsidiary of Poly Film), pursuant to which, Lexiang Culture Technology and Sanya Jiuming agreed to subscribe 10% and 39% registered share capital of Poly Boyi respectively to participate in the mixed-ownership reform of Poly Boyi as strategic shareholders.

**Implication of Listing Rules**

Sanya Jiuming is a limited liability company that is 99% owned by Mr. Zhu Zinan, Controlling Shareholder and executive Director. The Proposed Investment constitutes a fully exempted connected transaction of the Company and does not constitute a discloseable transaction of the Company under the Listing Rules.

## **Investment in the Mixed-Ownership Reform of Poly Boyi**

The Board is pleased to announce that on March 29, 2022, Lexiang Culture Technology (a wholly-owned subsidiary of the Company) and Sanya Jiuming (controlled by our Controlling Shareholder Mr. Zhu Zinan) entered into the Investment Agreement with Poly Boyi and Poly Film, pursuant to which, Lexiang Culture Technology and Sanya Jiuming agreed to subscribe 10% and 39% registered share capital of Poly Boyi respectively to participate in the mixed-ownership reform of Poly Boyi as strategic shareholders.

### **Investment Agreement**

The main terms of the Investment Agreement are summarised as follows:

#### ***Date***

March 29, 2022

#### ***Parties***

- (1) Lexiang Culture Technology;
- (2) Sanya Jiuming;
- (3) Poly Boyi; and
- (4) Poly Film.

#### ***Percentage of shareholdings in Poly Boyi upon completion of the Proposed Investment***

<b>Name of investors</b>	<b>Percentage of shareholdings in Poly Boyi upon completion of the Proposed Investment</b>
Lexiang Culture Technology	10%
Sanya Jiuming	39%
Poly Film	51%

## ***Conditions Precedent, Settlement and Completion of Investment***

Pursuant to the terms of the Investment Agreement, the conditions precedent for the Proposed Investment include: (1) the Proposed Investment and the amendments to the Articles of Association of Poly Boyi in relation to the Proposed Investment have been validly passed by all necessary resolutions of the board of directors and/or shareholders' meeting of Poly Boyi and have been approved by the approval authority of Poly Boyi; (2) Lexiang Culture Technology and Sanya Jiuming have been certified as qualified investors by the approval authority of Poly Boyi; and (3) formal legal documents for the investment have been signed, including but not limited to the Investment Agreement and the amendments to the Articles of Association of Poly Boyi, etc.

Lexiang Culture Technology and Sanya Jiuming shall, in accordance with the requirements of disclosure and announcement of information on the transfer of equity in Poly Boyi on the Beijing Equity Exchange, make all transfer consideration to a clearing account designated by the Beijing Equity Exchange within a specified period of time. The date of receipt of the full amount of the transfer consideration by Poly Boyi shall be the Settlement Date.

The date on which Poly Boyi obtains a new business license issued by the relevant Administration for Industry and Commerce shall be deemed as the Completion Date of the capital increase.

### **Information on Poly Boyi**

Poly Boyi is a limited liability company incorporated under the laws of the PRC, and is wholly owned by Poly Culture Group Corporation Limited (a company with limited liability incorporated under the laws of the PRC and listed on the Stock Exchange, Stock Code: 03636) through Poly Film, which is in turn a subsidiary of Poly Culture Group Corporation Limited and specialized in film and television contents and culture and entertainment, covering investment in film and television products, theater operation and management, and research and development of giant screen projection systems. Upon completion of the Proposed Investment, Poly Culture Group Corporation Limited holds 51% of equity interest in Poly Boyi through Poly Film.

Poly Boyi is mainly engaged in the incubation, production and promotion & distribution of film and television drama projects.

### **Information on the Company**

The Company is a leading marketing technology company, engaged in mobile new media performance-based marketing in China. We aim to use digital technologies to help our marketing clients promote and sell their products on new media platforms via mobile internet, empowering their digital upgrading in the online marketing field.

Lexiang Culture Technology, a wholly-owned subsidiary of the Company, is a technology company engaged in the application of internet digital technologies to film and television contents.

## **Information on Sanya Jiuming**

Sanya Jiuming is an investment company engaged in investment activities with its own funds, controlled by Mr. Zhu Zinan, the Controlling Shareholder of the Company.

## **Reasons for and Benefits of Entering into the Investment Agreement**

Poly Boyi is principally engaged in the incubation, production and promotion & distribution of film and television drama projects. As a subsidiary of Poly Film and Poly Culture Group Corporation Limited, Poly Boyi has extensive industrial resources and experience in film, television, culture and entertainment.

The Proposed Investment will enable the Group to collaborate with the central state-owned cultural enterprise to expand the new digital business opportunities involving the combination of film, television, culture and entertainment with internet technology under the guidance of the “14th Five-Year Plan” of China in relation to the film and television culture industry, including but not limited to (1) related businesses focusing on incubation and development of film, television, variety, internet entertainment and other products based on premium IP; (2) related businesses focusing on digital transformation and upgrading business of central state-owned enterprises; (3) related businesses focusing on the incubation, development and transaction of digital assets in culture and other fields; and (4) the consultancy and advisory businesses based on the above-mentioned business fields. By participating in the mixed-ownership reform of the central state-owned enterprise, the advantages of the Group as a privately-owned listed technology enterprise in market mechanism, efficiency and effectiveness and technological innovation will be complemented by the advantages of the central state-owned cultural enterprise in capital, resources, technology and management, thus producing a synergetic effect and allowing the mix-owned enterprise to capture business opportunities and develop with vitality and momentum.

The Board (including the independent non-executive Directors) has considered and reviewed the terms and provisions under the Investment Agreement and is of the view that the Investment Agreement has been entered into at arm’s length in the ordinary and usual course of business of the Group and is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole. Mr. Zhu Zinan is considered to have a material interest in the Investment Agreement due to his participation in the Proposed Investment as an investor through Sanya Jiuming and therefore abstained from voting on the relevant Board resolutions in relation to the Investment Agreement.

## **Implication of Listing Rules**

Sanya Jiuming is a company with limited liability 99% owned by Mr. Zhu Zinan, Controlling Shareholder and executive Director. The Proposed Investment constitutes a fully exempted connected transaction of the Company and does not constitute a discloseable transaction of the Company under the Listing Rules.

## DEFINITIONS

“Board”	the Board of Directors
“Company”	Joy Spreader Group Inc
“Connected Party”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules and refers to Mr. Zhu Zinan unless otherwise stated herein
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Agreement”	the investment agreement entered into on March 29, 2022 by Lexiang Culture Technology (a wholly-owned subsidiary of the Company) and Sanya Jiuming (controlled by our Controlling Shareholder Mr. Zhu Zinan) with Poly Boyi and Poly Film
“Lexiang Huayue” or “Lexiang Culture Technology”	Beijing Lexiang Huayue Culture Technology Co., Ltd (北京樂享華悅文化科技有限公司), a company with limited liability incorporated under the laws of the PRC, and a wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“Poly Film”	Poly Film Investment Corporation Limited, a company with limited liability incorporated under the laws of the PRC
“Poly Boyi”	Poly Boyi Culture Media (Beijing) Co., Ltd, a company with limited liability incorporated under the laws of the PRC

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Investment”	the proposed investment in Poly Boyi by Lexiang Culture Technology (a 100% wholly-owned subsidiary of the Company) and Sanya Jiuming(controlled by our Controlling Shareholder Mr. Zhu Zinan) under the Investment Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya Jiuming”	Sanya Jiuming Investment Co., Ltd (三亞九溟投資有限公司), a company with limited liability incorporated under the laws of the PRC, whose 99% equity interests are held by our Controlling Shareholder Mr. Zhu Zinan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Beijing, the PRC  
March 30, 2022

*As at the date of this announcement, the Board comprises Mr. Zhu Zinan, Mr. Cheng Lin, Ms. Qin Jiaxin 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.*