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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
THE GROUP’S ESTABLISHMENT OF THE OVERSEAS E-COMMERCE
DIVISION AND THE DEVELOPMENT OF THE
OVERSEAS E-COMMERCE BUSINESS

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Joy Spreader Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in order to provide shareholders and potential investors of the Company with the development of the overseas E-commerce business, a major business segment of the Group.

Overseas E-commerce business forms a significant part of the Group’s long-term development strategy. Overseas E-commerce business of the Group has been operated thoroughly since the preparation starting in early 2021 and has completed the model verification and achieved industrial revenue breakthrough in the fourth quarter of 2021. It is expected that we will maintain such proactive momentum and keep expanding the business scale in the future.

Overseas E-commerce business of the Group currently focuses on forming a business closed loop in the following aspects: (1) interest-based content traffic introduced from a well-known new media platform of overseas short video; (2) E-commerce supply chain such as cargo source, customs clearance, warehousing, logistics, payment, and basic implementation cooperation resources independently coordinated by the Group; and (3) independent E-commerce platform developed by the Group. So far, our overseas E-commerce business has covered various countries and regions in Southeast Asia, and we plan to expand the overseas E-commerce business to more emerging market countries in due course.

Currently, the main products sold by overseas E-commerce business of the Group consist of consumer electronic products from various famous domestic brands. We are committed to assisting premium domestic products in overseas sales by overseas new media channels in a way of directing to consumers (“**DTC**”).

Looking forward, the Group will continue to utilize our experience and data model that we accumulated in algorithm marketing field of global short video new media platform, with our organizational ability to combine supply chain resources and E-commerce infrastructure, in order to improve and update our overseas E-commerce business, making every effort to transfer it to be an independent DTC E-commerce platform with global competitiveness in consumer electronic products as soon as possible.

I. PERFORMANCE OF OVERSEAS E-COMMERCE

The results of overseas E-commerce business of the Group during the first quarter of 2022, together with the comparative figures for the forth quarter of 2021 are as follows:

	First quarter of 2022 (Unaudited)	Forth quarter of 2021 (Unaudited)	Increase as compared to last quarter
Sales revenue (HK\$ million)	511.59	147.87	245.97%
Sales volume (orders)	420,362	107,633	290.55%

II. ESTABLISHMENT OF INDEPENDENT SUBSIDIARY OF OVERSEAS E-COMMERCE

The Group has established Joy Spreader Interactive Group (HK) Limited (“**Joy Spreader HK**”), a wholly owned subsidiary, in Hong Kong Special Administrative Region of the People’s Republic of China as an entity that can independently carry out overseas E-commerce business.

III. APPOINTMENT OF MR. ZHANG ZHIDI AS THE HEAD OF SUBSIDIARY OF OVERSEAS E-COMMERCE

Recently, the Company had appointed Mr. Zhang Zhidi as the head in charge of the research and development, business expansion of overseas E-commerce of the Group at the early stage, who would be in charge of strategic development and general operation of Joy Spreader HK.

Please refer to the announcements dated September 30, 2021 and October 11, 2021 of the Company in relation to the resignation of executive director and general manager of the Company by Mr. Zhang Zhidi for the adjustments to his position and responsibility.

The Board is of the view that Mr. Zhang Zhidi is capable of operating and managing the overseas E-commerce business of the Group, and has achieved staged milestones during the research and development and test stage at the early stage of the business, therefore suitable for serving as the head of the subsidiary of overseas E-commerce of the Group. After the adjustments to his position and responsibility in October 2021, it is beneficial for Mr. Zhang Zhidi to focus on the independent development of overseas E-commerce segment, which is also helpful to the successful implementation of long-term strategy of the Group.

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

Beijing, the PRC
May 17, 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.