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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)**

**CONNECTED TRANSACTION**  
**PROVISION OF LOAN TO A**  
**SUBSIDIARY**

**PROVISION OF LOAN**

On August 7, 2023, our Company as the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower with a Loan in a principal amount of US\$11.0 million for a term of three years commencing from the date of drawdown to facilitate the business operation of the Borrower.

**IMPLICATIONS UNDER THE LISTING RULES**

The Borrower is a limited liability company incorporated in Hong Kong and jointly held by Joy Spreader Singapore as to 51% and by Mr. Zhu as to 49%. As Mr. Zhu is our Chairman, executive Director, chief executive officer and one of our Controlling Shareholders, the Borrower is therefore a connected subsidiary of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1% but less than 5%, the transaction under the Loan Agreement is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

**THE LOAN AGREEMENT**

On August 7, 2023, our Company as the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower with a Loan in a principal amount of US\$11.0 million for a term of 3 years to facilitate the business operation of the Borrower.

## **PRINCIPAL TERMS OF THE LOAN AGREEMENT**

<b>Date</b>	August 7, 2023
<b>Parties</b>	(1) the Company, as lender; and (2) Joy Spreader International E-commerce, as borrower
<b>Principal amount of the Loan</b>	US\$11.0 million
<b>Term</b>	Three years commencing from the date of drawdown
<b>Interest Rate</b>	3.0% per annum
<b>Purpose</b>	the Loan shall be applied and used by the Borrower solely for the general working capital of the Borrower's principal business
<b>Repayment</b>	The outstanding principal amount of the loan together with all accrued interests are to be repaid at the end of the term of the Loan Agreement.
<b>Prepayment</b>	The Borrower may prepay the whole or any part of the Loan at any time upon giving 7 Business Days prior written notice to the Lender or as otherwise agreed between the parties, provided that no part of the Loan which has been prepaid may be reborrowed.

## **INFORMATION OF THE PARTIES INVOLVED**

### **The Lender**

The Company is a company incorporated in the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange under the stock code of 6988. The Company together with its subsidiaries is a mobile internet marketing group serving full industrial chain, consisting of interest-based content recommendation algorithm-based marketing business in China, overseas independent electronics E-commerce platform business, culture and entertainment technology business – Web3.0, artificial intelligence-generated content, film and television culture and entertainment production, multi-channel network and first-party traffic.

### **The Borrower**

The Borrower is a company incorporated under the laws of Hong Kong on May 31, 2023 and has not yet commenced any substantive business. The Borrower is expected to conduct overseas sales of E-commerce goods as its principal business in the future.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

The Loan will be used primarily by the Borrower to finance overseas sales of E-commerce goods business as its principal business to expand additional new markets and distribution channels, continuously diversify the product lines of overseas sales of E-commerce goods business and increase overseas distributors, optimize logistics and payment processes, as well as improving user experience. Given that (i) the Loan is provided to a subsidiary of the Company rather than to other entities outside the Group, which will ultimately contribute to the performance of the entire Group; (ii) the Company will receive interest for the Loan at the rate of 3.0% per annum in short term which is similar to the interest rate of fixed deposits offered by commercial banks in the PRC; (iii) the Company has sufficient cashflow and will fund the Loan with its internal resources; and (iv) there is no substantial negative impact to the Company's operation and financial performance for granting the Loan, the Directors (including the independent non-executive Directors) consider that the provision of the Loan, although not in the ordinary course of business of the Company, is on normal commercial terms or better and the terms of the Loan Agreement and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The interest rate under the Loan Agreement has been determined by reference to the prevailing market interest rates as well as the financial background and repayment ability of the Borrower. The Loan Agreement is expected to generate a stable interest income for the Lender.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Borrower is a limited liability company incorporated in Hong Kong and jointly held by Joy Spreader Singapore as to 51% and by Mr. Zhu as to 49%. As Mr. Zhu is our Chairman, executive Director, chief executive officer and one of our Controlling Shareholders, the Borrower is therefore a connected subsidiary of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1% but less than 5%, the transaction under the Loan Agreement is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

Save for Mr. Zhu, who had abstained from voting on the relevant board resolutions in connection with entering into of the Loan Agreement and the transaction contemplated thereunder, no Director has a material interest or is required to abstain from voting on the said Board resolutions.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	the board of Directors
“Borrower”	Joy Spreader International E-commerce
“Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“Chairman”	the chairman of the Board
“Company”	Joy Spreader Group Inc. (樂享集團有限公司) (formerly known as Joy Spreader Interactive Technology. Ltd (乐享互动有限公司)), a company incorporated in the Cayman Islands on February 19, 2019 as an exempted company with limited liability
“connected subsidiary”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joy Spreader International E-commerce”	Joy Spreader International E-commerce (hk) Limited (樂享國際電子商務有限公司), a company incorporated in Hong Kong on May 31, 2023 as an exempted company with limited liability, whose total issued share capital is HK\$100 divided into 100 shares with par value of HK\$1 each
“Joy Spreader Singapore”	JOY SPREADER INTERACTIVE GROUP PTE. LTD., a company incorporated in Singapore on February 23, 2023 as an exempted company with limited liability, a wholly-owned subsidiary of the Company
“Lender”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of US\$11.0 million to be granted by the Lender to the Borrower under the Loan Agreement
“Loan Agreement”	the loan agreement dated August 7, 2023 entered into between the Borrower and the Lender in respect of the provision of the Loan
“Mr. Zhu”	Mr. Zhu Zinan (朱子南), our Chairman, executive Director, chief executive officer and one of our Controlling Shareholders

“PRC”	the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, Macao and Taiwan
“Shares”	ordinary shares of the Company
“Shareholder”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC, August 7, 2023

*As at the date of this announcement, the Board comprises Mr. Zhu Zinan, Mr. Cheng Lin and Ms. Qin Jiaxin as executive Directors; Mr. Hu Jiawei as non-executive Director; and Mr. Tang Wei, Mr. Fang Hongwei and Mr, Huang Boyang as independent non-executive Directors.*