

# TARGET

## Intelligence Report

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S A T U R D A Y

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### **JOY SPREADER INTERACTIVE TECHNOLOGY LTD: IT SEEMS TO BE ON THE ROAD TO GLORY**

Joy Spreader Interactive Technology Ltd (樂享互動有限公司) (Code: 6988, Main Board, The Stock Exchange of Hongkong Ltd) has only been in business for the past 12 years, but during that relatively short space of time, it has managed to become somewhat of a poster boy for many, if not all, of the Company's main competitors.

Joy Spreader Interactive Technology Ltd is engaged in operating a marketing service in the People's Republic of China (PRC) and, as at today's date, it claims to have obtained a 1.50-percent market share in its pursuits in terms of Total Revenue, during the 2019 Financial Year, ended December 31.

On Sunday, September 27, 2020, the Company produced its Interim Report with regard to the six months, ended June 30, 2020.

No doubt, minority shareholders were more than a little excited upon scanning the financials, contained in the Consolidated Statements of Profit or Loss and Other Comprehensive Income, found at Pages 35 through to 37 of this Report.

The following are some of the highlights of this Report, reduced to the following table, produced by **TARGET** (泰達財經) for ease of digestion:

	Six Months, Ended June 30		Percentage Increase/(Decrease)
	All Figures Are Denominated In Renminbi (RMB)’000 (except where otherwise indicated)		
	2020	2019	
Revenue	348,230	209,487	66.23
Gross Profit	94,507	50,450	87.33
Impairment Losses, Net of Reversal	(11,329)	(1,057)	971.81
Listing Expenses	(6,445)	(9,739)	(33.82)
<b>Net Profit Attributable to Shareholders</b>	<b>61,423</b>	<b>27,508</b>	<b>123.29</b>
Net Assets	464,061	402,630	15.26

### **The Initial Public Offering (IPO) Of Joy Spreader Interactive Technology Ltd**

On Thursday, September 10, 2020, Management of Joy Spreader Interactive Technology Ltd published and disseminated its Global Offering Prospectus in the Hongkong Special Administrative Region (HKSAR) of the PRC.

Management offered a total of 543,700,000, \$HK0.00001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK2.14 to a high of \$HK3.21.

HKSAR Investors were offered the opportunity to subscribe to 54.37 million Offer Shares (the HKSAR Offer Shares tranche) and International Investors – Institutional Investors, Professional Investors and select, Well-Heeled Investors along with their corporate entities in which this class of investors has very material vested interests by virtue of their equity control – were induced to sign in on valid applications for some of the 489.33 million Shares on Offer (the International Offer Shares tranche).

On Tuesday, September 22, 2020, Management caused to publish an Announcement in respect of the Offer Price Per Share and the Allotment Results.

The Share Price had been struck at \$HK2.88, one was informed, with Management, stating that its coffers had been enriched by the Global Offering of an amount of approximately \$HK1,460.70 million.

With regard to the HKSAR Offer Shares tranche, one was told that it had *‘been significantly over-subscribed.’*

Management stated that it had received a total of 367,247 valid applications for a total of 88,781,734,000 Offer Shares, equivalent to about 1,632.92 times the 54.37 million HKSAR Offer Shares, initially available under this tranche.

With regard to the International Offer Shares tranche, one was informed that it had *‘been well over-subscribed by approximately 24 times’* the 489.33 million International Offer Shares, initially available under this tranche.

At Page 10 of the September 22, 2020 Announcement, one was informed as to how the net proceeds of the Global Offering were presently intended to be utilised:

- Approximately, 60.00 percent, that is about \$HK876.40 million of the net proceeds, *‘will be used to develop our short-form video we-media monetization business’*;
- Approximately, 19.80 percent, that is about \$HK289.20 million of the net proceeds, *‘will be used to continue to strengthen our capabilities in providing performance-based we-media marketing services’*;
- Approximately, 10.20 percent, that is about \$HK149.00 million of the net proceeds, *‘will be used to expand our international presence’*; and,
- Approximately, 10.00 percent, that is about \$HK146.10 million of the net proceeds, *‘will be used for our working capital and general corporate purposes.’*

## **The History And Business Of Joy Spreader Interactive Technology Ltd**

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