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CRAZY SPORTS GROUP LIMITED

瘋狂體育集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 82)

PROFIT WARNING

This announcement is made by Crazy Sports Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and its potential investors that, based on the information currently available to the Company including the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year**”), the Group is expected to record a minimal consolidated net loss close to break-even level or consolidated net profit of not more than HK\$50 million, as compared to a consolidated net profit of approximately HK\$143 million for the year ended 31 December 2021 (the “**Last Year**”). Such expected decrease in the consolidated net profit is mainly attributable to:

- (i) the expected share of loss from an associate based on the unaudited management accounts of Bank of Asia (BVI) Limited (“**BOA**”), as compared to a share of profit of approximately HK\$18 million from BOA for the Last Year; and
- (ii) the expected decrease in recoverable amount of the Group’s interest in BOA after the review of the unaudited draft valuation report prepared by an independent valuation expert, which may lead to an impairment of the Group’s interest in BOA. During the Last Year, an exceptional gain from the reversal of impairment loss in respect of the Group’s interest in BOA of approximately HK\$42 million was recognised.

Despite the above information, the Board believes that the overall financial, operational and business positions (including cashflow) of the Group remain healthy. In light of the rapid development of the sports industry in the People's Republic of China, the Group will continue to actively implement its development plan focusing on key strategic areas in the digital sports industry, with a view to achieving long-term sustainable growth by leveraging its advantages in expertise, efficiency and capabilities. The Board is positive in the long-term growth potential of the Group.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on preliminary review of the unaudited consolidated management accounts, which have not been confirmed, reviewed or audited by the auditor of the Company, nor reviewed by the audit committee of the Company. The annual results of the Group for the Year may be subject to further adjustment(s) and may be different from the information contained in this announcement and may therefore be subject to changes. Further details of the Group's financial information will be published in the Company's announcement of annual results for the Year, which is expected to be published before the end of March 2023.

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

By Order of the Board
Crazy Sports Group Limited
ZHANG Lijun
Chairman

Hong Kong, 13 March 2023

As at the date of this announcement, the directors of the Company are:

Executive directors:

Dr. ZHANG Lijun (*Chairman*)

Mr. PENG Xitao

Ms. CHENG Po Chuen

Independent non-executive directors:

Mr. ZANG Dongli

Mr. ZHOU Jingping

Ms. LIU Haoming