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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Board of Crazy Sports Group Limited is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024. These interim results have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” and reviewed by the Audit Committee.

In this announcement, “we” or “our” refers to the Group.

2024 INTERIM RESULTS REVIEW

In the first half of 2024, the Group has steadily advanced our sports entertainment business featuring “Crazy Red Insights + Sports Lottery New Retail” as the core business at a sustainable pace. The Group perseveres on optimising its business models and strategies for sports and leisure games, focusing on leveraging our existing IP rights to launch sports games while scaling back on the investment in other gaming businesses with lower returns. We will continue to invest resources in artificial intelligence technology, providing new opportunities for content creation and distribution for the paid sports information business.

In the first half of 2024, the Group’s paid sports information platform recorded an increase in revenue of HK\$10.3 million or a 8.9% growth as compared with the corresponding period in 2023. Meanwhile, the average monthly active users grew by 4.0% as compared to the corresponding period in 2023. Crazy Red Insights utilised AI Agent technology, leveraging on large language model and combining with over 20 years of accumulated and extensive data resources, data optimisation, user behavior analysis and expert analytical methods to build a highly distinctive knowledge base. During the UEFA Euro 2024, which enabled the launch of “Ruyi”, the first

domestic large model AI assistant tailored in specific for “Sports + Lottery” sector in China. The Group anticipates that the introduction of AI assistant “Ruyi” will enhance our product competitiveness and user retention rate in the future.

In addition to the development of core product, the Group also capitalised on our “Digital + sports” and “Sports + Entertainment” resources advantages in the first half of 2024 to markedly increase brand recognition and influence of Crazy Sports Group through successfully hosting sports IP events. During the Dragon Boat Festival, the Group successfully organised the China Foshan WBC Professional Boxing Championship (the “**Boxing Championship**”), attracting over 300 million viewers. The Boxing Championship became a standout event in the sports sector, topping the Douyin trending search ranking for two consecutive days. The Boxing Championship attracted immense user attention and participation in the event. By hosting the successful sports IP event, the Group not only realised the economic value of the sports event business, but also achieved meaningful corporate social value through the promotion of professional boxing. The total number of platform users increased by 10.1% to 96.06 million as compared to the end of 2023.

As of the end of June 2024, the Group’s revenue decreased by 23.7% to HK\$208.3 million as compared to the corresponding period in 2023, mainly due to the decrease in revenue generated from the sports and leisure game business as a result of adjustments to the business model and industry prospect uncertainties. The Group recorded a loss narrowed to HK\$5.7 million during the Period which is decreased by 40.1% as compared with a loss of HK\$9.5 million recorded for the corresponding period in 2023. It was primarily due to an increase of gross profit margin and decrease in selling and marketing expenses from business model and product mix adjustment.

Business Model and Strategic Direction

The business of the Group is the digital sports entertainment business. We are committed to building a digital sports entertainment ecosystem centered around sports culture enthusiasts in order to build a multi-dimensional, real-time, and vibrant digital sports entertainment community.

Our strategy is based on a massive database of sports users and events, leveraging big data and AI technology to empower the traditional sports industry with “Crazy Red Insights + Sports Lottery New Retail” as the core business, and supplemented by the “Event+ Quizzes, IP + Games” businesses to drive the digital sports entertainment strategy forward in all aspects.

Our platform not only offers core business, but also actively develops value-added business relating to digital sports entertainment with goals to attract more lottery-focused sports users. The Group’s digital sports entertainment strategies are closely aligned with the national policies of building a leading sports powerhouse, as well as promoting sports and health consumption. Adhering to the mission of “Let Sports Create Happiness”, we are committed to providing users with unique sports entertainment consumption experience.

CORE BUSINESS REVIEW AND DEVELOPMENT

Paid Sports Information Platform

In the first half of 2024, total sales of paid sports information platform of Crazy Sports reached HK\$125.0 million, representing a year-on-year increase of 8.9% as compared to the first half of 2023. While facing challenges brought about by new user consumption trends, we are on one hand ensuring continuous product innovation and operational promotion to sustain the continuous growth of the paid sports information business of Crazy Sports. On the other hand, the Group also carried out proactive measures to transform and innovate so as to adapt to market changes and cultivate new growth drivers. The following are the key strategic focuses for the paid sports information platform segment – Crazy Red Insights APP:

1. *Broadening new media sales channels: expanding short-video platforms*

As the short-video platforms have become one of the primary arenas for users to discuss and engage with the UEFA Euro 2024, Crazy Red Insights continues to expand its presence in the paid sports information market within the short-video and live-streaming domains. During the UEFA Euro 2024, numerous expert anchors under the Crazy Red Insights attracted users by creating short video content with match analysis. They have also utilised live-streaming to sell their knowledge-based paid content, allowing users to better understand the unique advantages and successful cases of Crazy Red Insights. The experts provided in-depth and easy-to-understand explanations of UEFA Euro-related knowledge, accurate match predictions, and timely responses to user inquiries through both short-video content and live streams, further enhancing user loyalty in Crazy Red Insights experts and increasing user engagement and stickiness. The continuously improving sales conversion rates from short-videos and live-streaming will become a new growth driver for the paid sports information market. Crazy Red Insights will further increase its investment in such a domain and innovatively explore new untapped market opportunities.

2. *Product innovation: big data utilisation, empowered by AIGC*

During the UEFA Euro 2024, Crazy Red Insights utilised AI Agent technology, relying on large language models and combining with over 20 years of massive sports events data, user behavior data, and expert analysis rationale of the Group to construct a distinctive knowledge base, launching the first large model AI assistant which targeted the “Sports + Lottery” sector in China, named “Ruyi”. During the UEFA Euro 2024, through personalised one-on-one communications and event consultations models, the Ruyi systems communicated with users to understand and recognise their interests, preferences, and daily habits, identify user intentions, and proactively provide suggestions and timely answers to inquiries regarding European Championship encyclopedia, popular questions, daily news updates, and personalised offer customization. Crazy Red Insights therefore seized the opportunity in the field of paid sports information and accumulated core technologies that led the development of the industry.

Meanwhile, Crazy Red Insights leveraged AI technology in user private domain monetisation. In the first half of the year, the Group launched the “Zhen Ai” membership program, which combines smart data models with AI-powered predictions, as well as exclusive content service packages for private domain users. At different match milestones, through in-depth match data analysis, team dynamics, and historical performance, it provided each user with personalised match analysis and wager tips. In the first half of the year, the platform leveraged its high-quality services to accumulate a large number of private domain users, increasing user trust and significantly enhancing the spending willingness and consumption amount of new private domain users.

3. *Multi-channel distribution: copyrighted live streaming + paid information*

Crazy Red Insights established in-depth partnership with CCTV.com and Migu Video, two leading live streaming platforms, which were authorised to broadcast the UEFA Euro 2024 in China. By leveraging the complementary strengths of copyright resources and paid sports information, they are better positioned to serve sports users. Specifically, Crazy Red Insights jointly launched a range of activities such as UEFA Euro 2024 resource packages, interactive quizzes, and ticket giveaways with Migu, effectively attracting and guiding users towards paid conversion, providing a richer sports entertainment experience. Through cooperation with these prominent copyright platforms, Crazy Red Insights has greatly enhanced its market influence and revenue.

4. *Develop solid foundation to achieve continuous growth in platform users*

Despite the challenging market conditions in 2024, Crazy Red Insights recorded a growth of approximately 4.0% in the average monthly active users in the first half of the year. Particularly in June, the UEFA Euro 2024 month, where active users growth reached 89.0% compared to the same period in 2023. Crazy Red Insights formed a multi-dimensional content platform matrix through a combination of comprehensive platform and specialised vertical integration, which balanced the breadth and uniqueness of the content offerings, thereby building a robust content ecosystem. After aggregating and managing the content, Crazy Red Insights then distributes the digital content products across multiple terminals, platforms, and omni-media. By segmenting market demand and customising distribution products, a diverse range of products were developed and launched to meet the needs of different user attributes, including APP, mini-programs, and websites. Through optimising the interface design and functional modules, we have improved the user experience, ensuring users can enjoy smooth, convenient, and personalised sports analysis services.

Sports Lottery Retail Services

In the first half of 2024, the Group proactively engaged in comprehensive business discussions with the Sports Lottery Management Centre of the General Administration of Sport of China and local sports lottery management centres across provinces and cities, exploring diversified cooperation models for the “Sports Lottery+” initiatives. We communicated on innovative collaboration models such as “Sports Lottery + Coffee”, “Sports Lottery + IP”, and “Sports Lottery + Esports”, so as to expand the scope of lottery new retail services with an aim to target new customer groups, seeking breakthroughs and growth for the business.

During the Period, the Group have accelerated the expansion of commercial complex stores, adding 6 new stores in the Hebei, Anhui, and Shaanxi regions. Leveraging the center’s strong support and subsidy policies for commercial complexes, we have expedited the pace of new store openings and secured premium mall resources. To date, Crazy Sports has established a total of 18 commercial complex stores across Hebei, Shaanxi, and Anhui provinces. Meanwhile, during the May 1st holiday, we collaborated with COCO Tea on a joint marketing promotion in Hebei, offering free tea with lottery purchases and free lottery tickets with tea purchases.

Furthermore, facing the challenge of insufficient supply of instant lotteries, we have rapidly transformed our business model in response to market changes, while ensuring the stable development of our existing operations. The Group have explored and experimented with different business models, including making attempts in areas such as themed lottery stores with Sports Lottery + IP, non-lottery services in our stores, and new media operations for sports lotteries.

Sports and Leisure Gaming Business

In the first half of 2024, total revenue of the sports and leisure gaming business recorded HK\$76.7 million, representing a decrease of 42.9% as compared to the corresponding period in 2023, mainly due to the instability in the domestic game market and the decline in players' spending power, resulting in a reduction in the overall joint publishing game revenue compared to the corresponding period in 2023. In addition, the Group proactively optimised its sports and leisure gaming business publishing strategy to avoid excessive investment in games with low return rates. We will continue to leverage our existing sports game IP rights, distribution channels, and R&D reserves to capitalise on our strengths in sports game publishing.

The Group upholds to the mission of “Let Sports Create Happiness” and is focused on product innovation and global market expansion, bringing excellent sports games to the sports game players worldwide. In the meantime, the Group offered sports-related games for our broad user base of sports enthusiasts, creating rich online sports scenarios and promoting the dissemination and popularisation of offline sports activities.

FINANCIAL REVIEW

Comparison of six months ended 30 June 2024 and corresponding period of 2023

The following table sets forth the comparative figures for the six months ended 30 June 2024 and the corresponding period of 2023:

	Unaudited	
	For the six months ended	
	30 June	
	2024	2023
	(HK\$'000)	(HK\$'000)
Revenue	208,311	272,890
Cost of revenue	<u>(127,761)</u>	<u>(178,598)</u>
Gross profit	80,550	94,292
Other gains and losses	3,079	8,072
Selling and marketing expenses	(61,529)	(83,727)
Administrative expenses	(21,486)	(21,836)
Expected credit loss on trade receivables	(3,330)	—
Share of result of an associate	(3,147)	(5,784)
Finance costs	<u>(298)</u>	<u>(763)</u>
Loss before income tax	(6,161)	(9,746)
Income tax credit	<u>497</u>	<u>247</u>
Loss for the Period	<u><u>(5,664)</u></u>	<u><u>(9,499)</u></u>

Revenue

The Group's total revenue for the Period was HK\$208.3 million, representing a decrease of 23.7% as compared to the corresponding period in 2023. The Group generated revenue mainly from four areas: (i) paid sports information platform; (ii) sports and leisure games; (iii) lottery-related commission income; and (iv) digital collectibles platform. The following table sets forth the revenue breakdown of the Group for the periods indicated:

<i>(In HK\$ Million, other than percentages)</i>	Unaudited			
	For the six months ended 30 June			
	2024		2023	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Paid sports information platform	125.0	60.0	114.7	42.0
Sports and leisure games	76.7	36.8	134.4	49.2
Lottery related commission income	6.2	3.0	6.5	2.4
Digital collectibles platform	0.4	0.2	0.7	0.3
Sports social interactive platform	—	0.0	16.6	6.1
	208.3	100.0	272.9	100.0

The changes in revenue from different product lines is analysed as below:

- 1) During the Period, revenue generated from paid sports information platform amounted to HK\$125.0 million, representing an increase of HK\$10.3 million or 8.9% compared with the corresponding period in 2023. During the Period, paid sports information platform became the key and most important revenue driver of the Group, representing 60.0% of total revenue. It recorded growth of approximately 4.0% in the average monthly active users. Leveraging the introduction of applied AI technology and the UEFA Euro 2024 strategy, Crazy Red Insights maintained its healthy growth trend despite of facing challenges brought by new user consumption trends. During the Period, the Group restructured the product and expanded short-video and live-streaming platforms in Crazy Red Insights, which brings the revenue stream of Sports social interactive platform into Crazy Red Insights.

- 2) During 2024, revenue from sports and leisure games were decreased by 42.9% or HK\$57.7 million compared to the corresponding period in 2023. During the Period, the Group is committed to adjusting its sports and leisure games business model and strategies. We proactively optimised its game business publishing strategy to avoid investment in games with low return rates, focusing on our existing sports game IP copyrights, distribution channels and R&D reserves. The decrease in number of games published led to a decrease in revenue. Also, revenue from jointly published games decreased as a result of the uncertainty of the domestic game market industry and the decline in player spending power.
- 3) During the Period, revenue generated from lottery-related commission income and digital collectibles platform are value-added business relating to digital sports entertainment with goals to attract more lottery-focused sports users. The revenues generated are similar as compared with the corresponding period in 2023.

Cost of Revenue and Gross Profit

Our cost of revenue primarily consists of (i) commissions charged by distribution channels and payment channels; (ii) revenue share to IP holders; (iii) revenue share to key opinion leaders and sports experts and (iv) amortisation of intangible assets. Total cost of revenue of the Group decreased by 28.5% to HK\$127.8 million during the Period as compared with the corresponding period in 2023. The Group reported a gross profit of HK\$80.6 million during the Period, representing a decrease of 14.6% as compared to HK\$94.3 million for the corresponding period of 2023; meanwhile, the gross margin for the Period increased to 38.7% from 34.6% in the corresponding period in 2023.

The main reason for the increase in gross profit margin was the decrease in proportion of revenue from sports and leisure games, especially income from games with low return rates and jointly published games.

Other Gains and Losses

Other gains and losses for the Period recorded a gain of HK\$3.1 million. It was mainly attributable to the unrealised exchange gain of HK\$2.9 million. Other gains and losses for the corresponding period in 2023 recorded a gain of HK\$8.1 million. It was mainly generated from dividend income from financial assets amounted to HK\$2.8 million and unrealised exchange gain of HK\$4.9 million.

Expected Credit Loss on Trade Receivables

The Group recorded a expected credit loss on trade receivables for the Period of HK\$3.3 million (1H2023: HK\$nil). It was driven by increase to provision for trade receivables based on the expected credit loss model.

Selling and Marketing Expenses

Selling and marketing expenses for the Period decreased by 26.5% to HK\$61.5 million from HK\$83.7 million for the corresponding period in 2023. During the Period, the Group focused its promotion and marketing efforts in paid sports information platform and avoided excessive efforts in promotion of in games with low return rates. Therefore, the decrease in selling and marketing expenses is in line with the decrease in revenue of sports and leisure games.

Administrative Expenses

Administrative expenses for the Period decreased by 1.6% to HK\$21.5 million from HK\$21.8 million for the corresponding period in 2023. The Group continued its effort on improving cost efficiency of corporate expenses.

Share of Result of an Associate

Share of loss of an associate was HK\$3.1 million for the Period whereas share of loss of HK\$5.8 million was recorded for the corresponding period in 2023. However, as the share of loss of BOA exceeded the Group's interest in the associate and the Group has no obligation to take up further losses, the Group has discontinued the recognition of its share of loss of BOA with the unrecognised share of loss of HK\$2.8 million.

Income Tax Credit

There was an increase in income tax credit recorded for the Period as compared to the corresponding period in 2023.

Loss for the Period

As a result of the foregoing, the Group recorded loss of HK\$5.7 million for the Period, as compared to a loss of HK\$9.5 million for the corresponding period in 2023. The loss was decreased due to the increase in gross profit margin and decrease in selling and marketing expenses.

Strategic Investments Held

As at 30 June 2024, the investment portfolio of the Group amounted to HK\$250.4 million (31 December 2023: HK\$275.5 million), which was recorded as financial assets at fair value through profit or loss or through other comprehensive income. The information has been disclosed in the interim condensed consolidated comprehensive income statement and the interim condensed consolidated statement of financial position.

Apart from focusing on the organic growth of its principal businesses, the Group also made, and is prepared to make, strategic investments in order to effectively allocate resources to maximise corporate value and realise the integration of resource advantages through strategic investments. We have developed focused investment strategies, targeting to invest, acquire or form alliances that will either complement our existing businesses or drive innovation initiatives. Through strategic investments, the Group communicated closely with the emerging AI, block chain information technology, media, sports and entertainment industries to establish opportunities for further collaborations or achieve synergies.

As at 30 June 2024, the Group has investment in private equity funds amounted to HK\$249.1 million (31 December 2023: HK\$274.3 million), which accounted for 24.6% of the total assets. The investment comprised of two funds as below:

(a) *China Prosperity Capital Mobile Internet Fund, L.P. (“CPC Fund”)*

In 2015, the Group entered into a limited partnership agreement to subscribe for the limited partnership interests in CPC Fund and invested US\$31,250,000 to the CPC Fund. As at 30 June 2024, the Group held 27.17% of limited partnership interests in CPC Fund. The CPC Fund is an exempted limited partnership registered under the laws of the Cayman Islands, which is principally engaged to achieve long-term capital appreciation primarily through privately-negotiated investments in securities and/or equity that operate in mobile internet and technology industries in the Greater China region, in particular the culture and entertainment industry, such as internet literature, dramas and movies, motion pictures, manga and animations, among others. Investing through CPC Fund created synergy merits to the Group as it allows the Group to have business relationship with industry participants. Due to market impact of underlying investments of CPC Fund, a fair value loss of HK\$11.0 million of the Group’s investment in CPC Fund was recognised as other comprehensive income during the Period. The fair value of CPC Fund was HK\$146.0 million as at 30 June 2024 (31 December 2023: HK\$157.0 million), which accounted for 14.4% (31 December 2023: 14.6%) of the Group’s total assets as at 30 June 2024. No dividend income was received from the CPC Fund during the Period (1H2023: HK\$2.8 million).

(b) *New Rock Capital Fund LP (“New Rock Capital Fund”)*

In 2020, the Group entered into a subscription agreement pursuant to which the Group agreed to subscribe for the limited partnership interests in the New Rock Capital Fund at an aggregate subscription amount of US\$11,080,000. Up to the end of the Period, the Group has invested in aggregate HK\$129.0 million (31 December 2023: HK\$129.0 million) into New Rock Capital Fund and held 91.05% of limited partnership interests in New Rock Capital Fund. New Rock Capital Fund is an exempted limited partnership registered under the laws of the Cayman Islands, which is established to achieve long-term capital appreciation of the investments and telemedia assets held, by leveraging on the external network and the expertise of the general partner. Since its establishment, the New Rock Capital Fund has sustainably developed AI, internet, media and technology business. The fair value of the Group’s investment in New Rock Capital Fund was HK\$103.1 million as at 30 June 2024 (31 December 2023: HK\$117.3 million), with a fair value loss of HK\$14.2 million recognised as other comprehensive income. The fair value of New Rock Capital Fund accounted for 10.2% (31 December 2023: 10.9%) of the Group’s total assets as at 30 June 2024. No dividend income was received from the New Rock Capital Fund during the Period (1H2023: Nil).

Investment in BOA

The Group has invested 45.49% equity interest in BOA, which is established to provide online digital banking services. BOA holds a General Banking License granted under The Banks and Trust Companies Act 1990 of BVI for the purpose of carrying on banking business within and outside the jurisdiction of BVI. BOA is regulated by the authorities of BVI. It uses advanced digital channels to provide a wide range of cross-border financial services to its global clients, especially companies and individuals associated with offshore jurisdictions, addressing the growing financial needs of international companies, their owners, and multinational conglomerates.

In 2024, BOA has continued to provide banking services to offshore companies as its primary business with stable and loyal customers. BOA is now focusing its attention on expanding the bank’s presence in the regions of Association of Southeast Asian Nations and increasing its fundings in 2024. A share of losses of HK\$3.1 million was recorded during the Period. However, as the share of loss of BOA exceeded the Group’s interest in the associate and the Group has no obligation to take up further losses, the Group has discontinued the recognition of its share of loss of BOA with the unrecognised share of loss being HK\$2.8 million. A share of losses of HK\$5.8 million was recorded for the corresponding period of 2023.

Liquidity and Financial Resources

The following table sets forth the cash flows of the Group for the periods indicated:

	Unaudited	
	For the six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
Net cash used in operating activities	(14,921)	(23,033)
Net cash used in investing activities	(482)	(208)
Net cash (used in)/generated from financing activities	(10,511)	12,387
Net decrease in cash and cash equivalents	(25,914)	(10,854)
Effect of foreign exchange rate changes	1,189	3,284
Cash and cash equivalents at beginning of the Period	60,589	77,905
Cash and cash equivalents at end of the Period	35,864	70,335

Working Capital

The Group had HK\$35.9 million cash and cash equivalents as at 30 June 2024, as compared to a balance of HK\$60.6 million as at 31 December 2023.

Net cash used in operating activities

The Group's net cash used in operating activities amounted to HK\$14.9 million during the Period, compared to net cash used in operating activities of HK\$23.0 million for the corresponding period of 2023. The Group derived its cash inflow from operating activities primarily through the receipt of income from digital sports entertainment business. The Group's cash outflow from operating activities primarily comprised payments for costs related to the games and applications, selling and marketing expenses and operating expenses such as staff costs.

Net cash used in investing activities

Net cash used in investing activities of the Group was HK\$0.5 million during the Period, compared to net cash used in investing activities of HK\$0.2 million during the corresponding period of 2023. The cash outflow from investing activities mainly comprised of cost of acquisition of intangible assets of HK\$0.5 million.

Net cash (used in)/ generated from financing activities

The Group recorded net cash used in financing activities of HK\$10.5 million during the Period mainly due to the decrease in bank borrowings of HK\$8.7 million while net cash generated from financing activities was HK\$12.4 million for the corresponding period of 2023.

Capital Structure

As of 30 June 2024, the Group's total assets amounted to HK\$1,012.2 million (31 December 2023: HK\$1,077.0 million) which were substantially financed by shareholders' fund of HK\$726.6 million (31 December 2023: HK\$777.2 million). The capital of the Group only comprises of ordinary shares.

OTHER FINANCIAL INFORMATION

Treasury policy

The Group have established policies to monitor and control the risks relating to the business operations and treasury activities in order to meet the financial obligations in a timely manner. The Group's treasury policy seeks to govern areas regarding counterparty, interest rate and foreign exchange risks to ensure that the Group has sufficient sources of funding for working capital and investments. As part of our cash management activities, we typically invest our surplus cash in low-risk and/or high investment grade instruments that generate reasonable returns.

Gearing Ratio

As of 30 June 2024, gearing ratio was 1.5%, which was calculated by dividing the total borrowings by the equity attributable to owners of the Company.

Material Acquisitions and Disposals

There was no material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Period.

Foreign Exchange Risk

Since the Group generates most of the revenue and incurs most of the costs in RMB, there was no material foreign exchange risk.

Pledge of Assets

The Group did not have any pledged assets as at 30 June 2024 and 31 December 2023.

Contingent Liabilities

The Group had no significant contingent liabilities as of 30 June 2024 (31 December 2023: Nil).

Interim Dividend

The Board has resolved not to declare any interim dividend for the Period.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2024	2023
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Revenue	6	208,311	272,890
Cost of revenue		(127,761)	(178,598)
Gross profit		80,550	94,292
Other gains and losses	7	3,079	8,072
Selling and marketing expenses		(61,529)	(83,727)
Administrative expenses		(21,486)	(21,836)
Expected credit loss on trade receivables		(3,330)	—
Share of result of an associate		(3,147)	(5,784)
Finance costs	8	(298)	(763)
Loss before income tax	9	(6,161)	(9,746)
Income tax credit	10	497	247
LOSS FOR THE PERIOD		(5,664)	(9,499)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
— Exchange differences arising on translation of presentation currency		(19,871)	(35,460)
— Fair value change on financial assets at fair value through other comprehensive income		(25,165)	7,711
Other comprehensive income for the period		(45,036)	(27,749)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(50,700)	(37,248)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(5,662)	(9,462)
Non-controlling interests		(2)	(37)
		(5,664)	(9,499)

	<i>Notes</i>	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(50,654)	(37,131)
Non-controlling interests		(46)	(117)
		<u>(50,700)</u>	<u>(37,248)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
— Basic (HK cents)	<i>11</i>	<u>(0.13)</u>	<u>(0.21)</u>
— Diluted (HK cents)	<i>11</i>	<u>(0.13)</u>	<u>(0.21)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2024 (Unaudited) <i>HK\$'000</i>	As at 31 December 2023 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	12	730	1,040
Goodwill		389,257	399,601
Intangible assets		89,603	104,470
Interest in an associate	13	6,223	9,370
Financial assets at fair value through other comprehensive income		249,096	274,261
Right-of-use assets		5,847	5,579
Deferred tax assets		785	298
Prepayments for purchase of intangible assets		9,224	9,469
		750,765	804,088
CURRENT ASSETS			
Trade receivables	14	106,718	107,618
Other receivables, deposits and prepayments		117,490	102,775
Financial assets at fair value through profit or loss		1,317	1,262
Amounts due from related companies		38	667
Cash and cash equivalents		35,864	60,589
		261,427	272,911
TOTAL ASSETS		1,012,192	1,076,999

		As at 30 June 2024 (Unaudited) <i>HK\$'000</i>	As at 31 December 2023 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
CURRENT LIABILITIES			
Trade and other payables	15	89,045	80,197
Contract liabilities		27,945	42,467
Lease liabilities		2,432	2,198
Amounts due to related companies		38,677	37,584
Bank borrowings	18	10,744	19,853
Income tax payable		111,764	112,352
		<u>280,607</u>	<u>294,651</u>
NET CURRENT LIABILITIES		<u>(19,180)</u>	<u>(21,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>731,585</u>	<u>782,348</u>
NON-CURRENT LIABILITIES			
Lease liabilities		<u>3,372</u>	<u>3,435</u>
NET ASSETS		<u>728,213</u>	<u>778,913</u>
EQUITY			
Share capital		45,262	45,262
Reserves		<u>681,312</u>	<u>731,966</u>
Equity attributable to owners of the Company		726,574	777,228
Non-controlling interests		<u>1,639</u>	<u>1,685</u>
TOTAL EQUITY		<u>728,213</u>	<u>778,913</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Investment revaluation reserve <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Share-based compensation reserve <i>HK\$'000</i>	Exchange fluctuation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 January 2023 (audited)	45,262	1,771,496	(115,580)	1,059,408	4,551	(55,011)	(1,897,041)	1,778	814,863
Loss for the period	—	—	—	—	—	—	(9,462)	(37)	(9,499)
Other comprehensive income	—	—	7,711	—	—	(35,380)	—	(80)	(27,749)
	<u>—</u>	<u>—</u>	<u>7,711</u>	<u>—</u>	<u>—</u>	<u>(35,380)</u>	<u>(9,462)</u>	<u>(117)</u>	<u>(37,248)</u>
Total comprehensive income for the period	—	—	7,711	—	—	(35,380)	(9,462)	(117)	(37,248)
Transfer upon maturity of financial assets at fair value through other comprehensive income	—	—	16,337	—	—	—	(16,337)	—	—
Lapse of share options	—	—	—	—	(328)	—	328	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(328)</u>	<u>—</u>	<u>328</u>	<u>—</u>	<u>—</u>
Balance at 30 June 2023 (unaudited)	<u>45,262</u>	<u>1,771,496</u>	<u>(91,532)</u>	<u>1,059,408</u>	<u>4,223</u>	<u>(90,391)</u>	<u>(1,922,512)</u>	<u>1,661</u>	<u>777,615</u>
Balance at 1 January 2024 (audited)	45,262	1,771,496	(92,711)	1,059,408	4,551	(74,506)	(1,936,272)	1,685	778,913
Loss for the period	—	—	—	—	—	—	(5,662)	(2)	(5,664)
Other comprehensive income	—	—	(25,165)	—	—	(19,827)	—	(44)	(45,036)
	<u>—</u>	<u>—</u>	<u>(25,165)</u>	<u>—</u>	<u>—</u>	<u>(19,827)</u>	<u>(5,662)</u>	<u>(46)</u>	<u>(50,700)</u>
Total comprehensive income for the period	—	—	(25,165)	—	—	(19,827)	(5,662)	(46)	(50,700)
	<u>—</u>	<u>—</u>	<u>(25,165)</u>	<u>—</u>	<u>—</u>	<u>(19,827)</u>	<u>(5,662)</u>	<u>(46)</u>	<u>(50,700)</u>
Balance at 30 June 2024 (unaudited)	<u>45,262</u>	<u>1,771,496</u>	<u>(117,876)</u>	<u>1,059,408</u>	<u>4,551</u>	<u>(94,333)</u>	<u>(1,941,934)</u>	<u>1,639</u>	<u>728,213</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Crazy Sports Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. Its principal place of business in Hong Kong is located at Suites 3702-03, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (hereafter referred to as the “**Group**”) are principally engaged in the development and operation of paid sports information platform, sports quizzing platform, digital collectibles platform, operation and publishing of sports and leisure games and provision of sales services of lottery tickets through retail channels in the People’s Republic of China (the “**PRC**”) (the “**Digital sports entertainment business**”).

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). These interim condensed consolidated financial statements were authorised for issue on 29 August 2024.

These interim condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2023 annual financial statements.

The preparation of these interim condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made in preparing the interim condensed consolidated financial statements and their effect are disclosed in Note 4.

The functional currency of the Company is Renminbi (“**RMB**”), while the interim condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated, which the Directors considered it is more relevant to the users of the financial statements. As the Company is listed on the Main Board of the Stock Exchange, the Directors consider that it will be more appropriate to continuously adopt Hong Kong dollars as the Group’s and the Company’s presentation currency. These interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. These interim condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and should be read in conjunction with the 2023 consolidated financial statements.

These interim condensed consolidated financial statements are unaudited.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, as described therein.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (Revised)
	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The new or amended HKFRSs that are effective from 1 January 2024 did not have significant impact on the Group’s interim condensed consolidated financial statements.

4. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2023 annual financial statements.

5. SEGMENT REPORTING

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. The chief operating decision maker has been identified as the executive directors of the Company.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors of the Company in order to allocate resources and assess performance of the segment.

For the six months ended 30 June 2024 and 2023, the Group has only one reportable operating segment which is the Digital sports entertainment business. Thus, no operating segments have been aggregated to form the above reportable operating segment.

The Digital sports entertainment business which specialised in the development and operation of paid sports information platform, sports quizzing platform, digital collectibles platform, operation and publishing of sports and leisure games and provision of sales services of lottery tickets through retail channels in the PRC.

(b) Geographical information

During the six months ended 30 June 2024 and 2023, 100% of the Group's revenue was attributable to customers in the PRC. As at 30 June 2024, over 90% (31 December 2023: over 90%) of the Group's total non-current assets, excluding financial assets at fair value through other comprehensive income and deferred tax assets, are located in the PRC and the remaining non-current assets are located in Hong Kong.

(c) Major customers

There was no revenue from individual customers of the Group contributing over 10% of the Group's revenue during the six months ended 30 June 2024 and 2023.

6. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Digital sports entertainment business		
Paid sports information platform	124,985	114,727
Sports and leisure games	76,707	134,396
Lottery related commission income	6,210	6,418
Digital collectibles platform	409	728
Sports social interactive platform	—	16,621
	<u>208,311</u>	<u>272,890</u>
Timing of revenue recognition		
At a point in time	409	728
Transferred over time	207,902	272,162
	<u>208,311</u>	<u>272,890</u>

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net foreign exchange gains	2,907	4,905
Interest income	55	133
Fair value gain/(loss) on financial assets at fair value through profit or loss	55	(806)
Dividend income from financial assets		
at fair value through other comprehensive income	—	2,825
Government grants	—	802
Others, net	62	213
	<u>3,079</u>	<u>8,072</u>

8. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on lease liabilities	113	166
Interest on bank borrowings	185	597
	<u>298</u>	<u>763</u>

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Staff costs (excluding directors' remuneration)		
— Salaries and wages	8,859	7,943
— Pension fund contributions	1,951	1,598
	<u>10,810</u>	<u>9,541</u>
Depreciation of property, plant and equipment	324	439
Depreciation of right-of-use assets	1,440	1,431
Amortisation of intangible assets included in cost of revenue	12,784	18,430
Expected credit loss on trade receivables	3,330	—
Auditor's remuneration	150	150

10. INCOME TAX CREDIT

Taxation in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Current tax		
— Hong Kong profits tax for the period	—	—
— PRC enterprise income tax for the period	2	831
	<u>2</u>	<u>831</u>
Deferred taxation	(499)	(1,078)
	<u>(497)</u>	<u>(247)</u>
Income tax credit		
	<u>(497)</u>	<u>(247)</u>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits arising in Hong Kong for both six months ended 30 June 2024 and 2023. No provision was made for Hong Kong profits tax as the Group had no assessable profits in Hong Kong during the Period.

The subsidiaries established in the PRC are subject to enterprise income tax (“EIT”) at tax rates of 25% for both six months ended 30 June 2024 and 2023, except:

- Beijing Crazy Sports Management Company Limited (北京瘋狂體育產業管理有限公司) which is recognised as a high-technology company according to PRC tax regulations and is entitled to a preferential tax rate of 15% for three years according to relevant existing PRC laws since 2023.
- Khorgos Crazy New Game Network Technology Company Limited (“**Khorgos Crazy**”) (霍爾果斯瘋狂新遊網絡科技有限公司), a company incorporated as a limited liability company in Khorgos Special Region, Xinjiang, PRC. Pursuant to the tax exemption document and complied with PRC tax regulations, Khorgos Crazy is exempted from EIT for five years since the year ended 31 December 2017, followed by a 50% reduction in the applicable tax rates for the next five years commencing from the year ended 31 December 2022. Khorgos Crazy is entitled to a preferential tax rate of 12.5% for the six months ended 30 June 2024 and 2023.
- Khorgos Keris Network Technology Company Limited (“**Khorgos Keris**”) (霍爾果斯可銳思網絡技術有限公司), a company incorporated as a limited liability company in Khorgos Special Region, Xinjiang, PRC in 2022. Pursuant to the tax exemption document and complied with PRC tax regulations, Khorgos Keris is exempted from EIT for five years since the year ended 31 December 2022.

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss

	2024 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>
Loss for the purposes of basic and diluted loss per share	<u>(5,662)</u>	<u>(9,462)</u>

Number of shares

	2024 (Unaudited) '000	2023 (Unaudited) '000
Weighted average number of ordinary shares for the purpose of basic loss per share	4,526,135	4,526,135
Effect of dilutive potential ordinary shares: — share options	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>4,526,135</u>	<u>4,526,135</u>

Loss per share

	2024 (Unaudited) <i>HK Cents</i>	2023 (Unaudited) <i>HK Cents</i>
— Basic	<u>(0.13)</u>	<u>(0.21)</u>
— Diluted	<u>(0.13)</u>	<u>(0.21)</u>

For the six months ended 30 June 2024 and 2023, the computation of diluted loss per share does not assume the exercise of the outstanding share options as the exercise price of the Company's share options was higher than the average market price for shares.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately HK\$30,000 (six months ended 30 June 2023: HK\$10,000).

13. INTEREST IN AN ASSOCIATE

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Share of net assets other than goodwill (<i>Note</i>)	—	3,147
Goodwill	<u>183,135</u>	<u>183,135</u>
	183,135	186,282
Less: impairment	<u>(176,912)</u>	<u>(176,912)</u>
	<u>6,223</u>	<u>9,370</u>

Note: The Group has discontinued the recognition of its share of loss of an associate because the share of loss of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amount of the Group's unrecognised share of loss of an associate for the Period and cumulatively are HK\$2,830,000 and HK\$2,830,000, respectively.

Particulars of the Group's associate are as follows:

Name of company	Form of business structure	Place of incorporation and operation	Percentage of ownership interests/voting rights/profit share	Principal activity
Bank of Asia (BVI) Limited ("BOA")	Limited company	British Virgin Islands (the "BVI")	45.49% (31 December 2023: 45.49%)	Provision of BVI banking services

14. TRADE RECEIVABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade receivables	110,017	107,618
Less: expected credit losses	<u>(3,299)</u>	<u>–</u>
Trade receivables, net	<u>106,718</u>	<u>107,618</u>

Included in trade receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 6 months	74,186	82,429
Over 6 months but within 1 year	26,332	24,255
Over 1 year	<u>6,200</u>	<u>934</u>
	<u>106,718</u>	<u>107,618</u>

The Group assessed impairment loss based on the expected credit loss model. The Group has a policy granting its customers credit periods normally ranging from 90 to 180 days. The Group does not hold any collateral as security.

15. TRADE AND OTHER PAYABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade payables		
Within 6 months	13,822	7,562
Over 6 months but within 1 year	5,869	6,023
Over 1 year but within 2 years	2,203	538
Over 2 years	1,286	922
	<hr/>	<hr/>
Total trade payables	23,180	15,045
Accrued liabilities and other liabilities	65,865	65,152
	<hr/>	<hr/>
	89,045	80,197
	<hr/> <hr/>	<hr/> <hr/>

16. CAPITAL COMMITMENTS

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Contracted, but not provided for:		
— Intangible assets	4,190	4,301
	<hr/> <hr/>	<hr/> <hr/>

17. RELATED PARTY TRANSACTIONS

- (a) Save for those disclosed elsewhere in these interim condensed financial statements, the Group had no material related party transactions during the six months 30 June 2024 and 2023.
- (b) The remuneration of directors and other members of key management during the six months ended 30 June 2024 and 2023 were as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short term benefits	<u>8,890</u>	<u>9,709</u>

- (c) On 29 May 2024, Mr. Wei Guilei, being the director of a subsidiary of the Group, entered into guarantee agreements with a third party corporate, Beijing Shouchuang Financing Guarantee Co., Ltd. (“**Beijing Shouchuang**”), pursuant to which an unlimited personal guarantee by Mr. Wei Guilei and corporate guarantee by a subsidiary of the Group were granted in favour of Beijing Shouchuang as counter-guarantee. Beijing Shouchuang will provide guarantee to the Bank of China for a banking facility of RMB2,000,000 granted to the Group.
- (d) On 7 November 2023, Mr. Peng Xitao, being the director of the Company, entered into guarantee agreements with Bank of China, an unlimited personal guarantee is provided by Mr. Peng Xitao to the Bank of China for a banking facility of RMB5,000,000 granted to the Group.
- (e) The amounts due from related companies are interest-free, unsecured and repayable on demand.

The amounts due to related companies are interest-free, unsecured and repayable on demand.

18. BANK BORROWINGS

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Bank borrowings due for repayment within one year		
— Secured (<i>Note (a)</i>)	7,521	5,515
— Unsecured (<i>Note (b)</i>)	<u>3,223</u>	<u>14,338</u>
	<u>10,744</u>	<u>19,853</u>

(a) The secured bank borrowings are carried at amortised cost and represented the loans as below:

(i) As at 30 June 2024, certain bank loans granted by the Bank of China totalling RMB7,000,000 (equivalent to HK\$7,521,000) are secured by certain personal and corporate guarantees as detailed in notes 17(c) and 17(d), and bear interest ranging from 1.40% to 2.25% per annum. The loans are repayable within one year on 7 November 2024 and 31 May 2025.

(ii) As at 31 December 2023, a bank loan granted by the Bank of China of RMB5,000,000 (equivalent to HK\$5,515,000) was secured by a personal guarantee as detailed in note 17(d), and bore interest of 2.25% per annum. The loan was repayable within one year on 7 November 2024.

(b) As at 30 June 2024, the unsecured bank borrowings granted by a bank of RMB3,000,000 (equivalent to HK\$3,223,000) bear interest of 1.80% per annum. The loan is carried at amortised cost. The loan is repayable within one year on 27 May 2025.

As at 31 December 2023, the unsecured bank borrowings granted by certain banks totalling RMB13,000,000 (equivalent to HK\$14,338,000) bore interest ranging from 2.15% to 2.60% per annum. The loans were carried at amortised cost. The loans were repayable within one year on 4 April 2024 and 19 April 2024 respectively.

(c) As at 30 June 2024 and 31 December 2023, the fair value of bank borrowings approximates to their carrying amount largely due to the short-term maturities.

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had applied and complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024.

The Board shall continue to monitor and review the Company's corporate governance practices to ensure compliance.

EMPLOYEES REMUNERATION AND BENEFITS

As at 30 June 2024, the Group had a total of 104 employees.

The Group remunerates the employees primarily based on nature of the job, market trend, qualification, years of experience and contributions to the Group. The Group has implemented the share options scheme. The Group has granted share options to the Directors, senior management and other employees to encourage them towards enhancing the value of the Group and to promote the long-term growth of the Group.

Furthermore, the Group offers training programs to the Directors and employees to upgrade their skills and knowledge on a regular basis.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct for securities transactions and dealings, which applies to all the relevant persons as defined in the Model Code, including the Directors, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment or involvement, are likely to come into contact or be in possession of unpublished price sensitive information in relation to the Company or its securities. Specific enquiry has been made of all the Directors who have confirmed their compliance with the required standards set out in the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's securities listed on the Stock Exchange during the Period.

REVIEW BY AUDIT COMMITTEE

The Group's unaudited interim financial results for the Period have been reviewed by the Audit Committee which comprises three independent non-executive Directors.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.ir.crazysports.com) and Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The interim report of the Company for the Period will be despatched to the Shareholders and will be made available on the aforesaid websites in due course.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other significant events that may affect the Group since 30 June 2024 and up to the date of this announcement.

APPRECIATION

On behalf of the Board, I would like to express my wholehearted gratitude to customers, merchants and partners for their trust in the Group, as well as to all staff and management for their outstanding contributions, and to shareholders for their continuous support.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“AI”	artificial intelligence;
“AIGC”	artificial intelligence generated content;
“AI Agent”	artificial intelligence agent;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“BOA”	Bank of Asia (BVI) Limited, a company incorporated under the laws of BVI with limited liability and holds a general banking license;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	Crazy Sports Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 82);
“Director(s)”	the director(s) of the Company;
“Group”, “Crazy Sports” or “Crazy Sports Group”	the Company, together with its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;

“IP”	intellectual property;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules;
“Period”	the period for the six months ended 30 June 2024;
“PRC” or “China”	the People’s Republic of China;
“R&D”	research and development;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UEFA Euro”	UEFA European Football Championship;
“US\$”	United States dollars, the lawful currency of the United States of America;
“WBC”	World Boxing Council; and
“%”	per cent.

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

Hong Kong, 29 August 2024

As at the date of this announcement, the Directors are:

Executive directors:

Dr. ZHANG Lijun (*Chairman*)

Mr. PENG Xitao

Independent non-executive directors:

Mr. ZANG Dongli

Mr. ZHOU Jingping

Ms. LIU Haoming