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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)

2024 ANNUAL RESULTS ANNOUNCEMENT

The Board is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2024. These results have been audited by the Group's auditor, BDO Limited, based on the Hong Kong Standards on Auditing and reviewed by the Audit Committee.

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

2024 ANNUAL RESULTS HIGHLIGHTS REVIEW

In 2024, the Group is dedicated to steadily advance the diversified development of its digital sports entertainment business while proactively addressing the challenges posed by the transformation of the competitive landscape in the sports industry and the diversification of consumer demands. The Group continued to develop various sectors, such as the overseas expansion of paid sports information and sports and leisure gaming businesses, as well as AI technology R&D. Through product innovation and paid sports information content optimisation to meet the users' growing service demands, we further expanded our target customer groups and increased market share, laying a solid foundation for the long-term development of the Group. The total number of platform users increased by 21.4% to 105.9 million as compared to the end of 2023, and the average monthly active users increased year-on-year by 17.4%. Meanwhile, we are continuously increasing investments in nurturing talent and strengthening our brand to boost core competitiveness. We are also committed to social responsibility, organising diverse sports events to promote nationwide fitness and support China's goal to become a sports powerhouse.

In 2024, the Group's paid sports information platform recorded an increase in revenue of HK\$31.1 million or a 13.7% growth as compared to the previous year. During the UEFA Euro 2024, Crazy Red Insights utilised AI Agent technology, leveraged on large language model and combining with many years of accumulated and extensive data resources to launch "Ruyi", the first large model AI assistant for the vertical domain of "Sports + Lottery" sector in China. At the same time, the Group invested substantial resources in R&D. Driven by technological innovation, the R&D team successfully launched multiple well-targeted products in the paid sports information sector and enriched product matrices. These products are expected to enhance the competitiveness and user retention rate of the paid sports information platform in the future.

In terms of sports and leisure gaming business, the Group remains dedicated to refining its business model and strategy, decreasing investment in other gaming business with lower revenue return rates, and focusing on publishing sports games leveraging the Group's existing IP rights. The Group's international publishing efforts advanced in 2024, with initial localised testing completed in the Southeast Asia market, earning positive responses from local users. In the future, the Group will continue to increase the market penetration rate of its game products as planned.

In addition to the development of core products, the Group leveraged its resource advantages of "Digital + Sports" and "Sports + Entertainment" to cultivate consumption growth drivers in "Sports Events + Cultural Tourism". In 2024, the Group successfully organised several major events, including the China Foshan WBC Professional Boxing Championship, B.Duck Run (Mountain Resort Station) and B.Duck Run (Foshan Danzao Station). Among them, the China Foshan WBC Professional Boxing Championship became a standout event in the China's sport sector that attracted over 300 million viewers, setting the highest viewership record for a single game in the history of Chinese professional boxing. This has significantly enhanced the brand influence of Crazy Sports Group.

In 2024, the Group's revenue decreased by 16.1% to HK\$411.4 million compared to 2023, mainly due to a reduction in revenue generated from the sports and leisure gaming business, resulting from adjustments to the business model and decline in players' spending power. During the year, the Group recorded a narrowed loss of HK\$14.7 million, a 32.2% reduction compared to the HK\$21.7 million loss recorded in 2023. The loss was decreased mainly due to the increase in other gains and decrease in selling expenses.

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.

CHAIRMAN’S STATEMENT

Dear Shareholders, Investors and Partners,

Hello everyone! In 2024, the sports industry in the PRC has embraced unprecedented development opportunities as the market scale has continued to expand, and the industrial structure has been optimising. According to data, the total scale of the sports industry in the PRC has reached RMB3.67 trillion in 2023 and is expected to reach RMB5 trillion by 2025. The sports consumption market is also experiencing rapid growth, with its scale reaching RMB1.5 trillion in 2023 and expected to grow to RMB2.8 trillion in 2025. Against this backdrop, Crazy Sports Group has continuously consolidated its leading position in the industry through its strategic deployment of “digital + sports”.

As a leading digital sports entertainment operator in the PRC, Crazy Sports Group has been committed to promoting the digital transformation of the sports industry through technological innovation. In 2024, we have made significant progress in the application of artificial intelligence technology, injecting new vitality into the Group’s business development. Looking ahead to 2025, we will continue to enhance the application of artificial intelligence technologies in the sports industry and explore more innovative scenarios to improve user experience and operational efficiency, thereby driving the growth of new sports market with high-quality productivity.

At the macro level, the trend towards diversified development in the sports industry is becoming increasingly evident. The sports services industry has continued to increase its market share, while the sports consumption market has shown the characteristics of popularisation and diversification. Crazy Sports Group will keep abreast of this trend by expanding its business boundaries and optimising service offerings to further meet the market’s demand for high-quality sports products and services.

At the same time, we will also proactively respond to market changes, and seize policy opportunities. As the Chinese government continues to place greater emphasis on the sports industry, a series of supportive policies launched have provided a strong foundation for the development of the industry. Crazy Sports Group will take full advantage of these policies to accelerate its strategic layout, enhance its brand influence, and strengthen its market competitiveness.

In 2025, Crazy Sports Group will continue to uphold the spirit of innovation and progress by using artificial intelligence technology as the engine to drive high-quality development of the sports industry. We believe that, bearing “Let’s Go For It” in mind with the concerted efforts of all teams, the Group will achieve more outstanding results in the coming year, create greater value for our Shareholders and make more contributions to the development of the sports industry.

Once again, I would like to thank you for your support and trust in Crazy Sports Group.

Zhang Lijun
Chairman of the Board

MANAGEMENT DISCUSSION AND ANALYSIS

Core Business Review and Development

Paid Sports Information Platform

In 2024, the total sales of paid sports information platform of the Group reached HK\$258.8 million, representing a year-on-year increase of 13.7% as compared to 2023. While facing challenges brought by users' consumption orientations and the competitions in marketing and sales, our R&D team, driven by technological innovation, successfully launched multiple well-targeted products which enhanced user activity and satisfaction. Our key strategies for the sector of the paid sports information platform – Crazy Red Insights APP, are as follow:

1. Adhering to The Concept of Innovation-driven Development and Actively Embracing Artificial Intelligence

Crazy Sports upholds the concept of leading development with innovation and continued to increase investments in R&D. Crazy Red Insights utilised AI Agent technology and combined with over 20 years of massive sports events data, user behaviour data and expert analysis to build a distinctive knowledge base for training, and launched the first large model for the vertical domain of “Sports + Lottery” sector in China – “Ruyi” the intelligent conversation assistant. It offers personalised conversation experience, always ready to answer users' questions, organises information, filters matches and provides analysis and recommendations. 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.

Based on the “Ruyi” large model, we have developed our lottery user assistant tool that provides users with more objective result predictions through extensive analysis and comprehensive calculations of various factors, such as odds trend, historical trend and team strength. Since its launch, it has garnered unanimous acclaim from the market and users for its convenient display and accurate wager suggestions.

2. Enhancing Creative Ecosystem to Improve the Quality of Content Products

Crazy Red Insights introduced an auxiliary writing tool specifically designed for content creators. This tool aims to help creators complete their work more efficiently while improving the quality and impact of their creations. By using our auxiliary writing tool, creators can receive intelligent recommendations for relevant materials, perspectives, and references tailored to their personal writing style and preferences, helping them broaden their ideas and enrich their creation content. In the future, we will continue to gather user feedback and optimise product's features to provide better products and services for creators.

3. *Enriching Product Matrices to Serve Target Groups Precisely*

In 2024, the Group adhered to a user-centric philosophy, and driven by technological innovation, thoroughly analysing the segmented user groups to precisely capture the demands and pain points of different users. On this basis, the Group invested substantial resources in R&D and successfully launched multiple well-targeted products.

The “Zhong Zu Wang Mobile APP” focuses on serving loyal users of the “Zhong Guo Zu Cai Wang”. Leveraging a data foundation accumulated since 2001, it includes the website functions most loved by users. The “Events Center” covers over a thousand football leagues; “Eight Directions Prediction” integrates performance characteristics, lineup analysis, and visualised patterns of ball movement trends, clearly revealing the tactics and player conditions hidden behind the scores; “AI Big Data” combines advanced technology to deliver high-accuracy match outcome predictions, aiding betting and match analysis. The “Match APP” is a product specially designed for lottery fans who follow live events, with continuous investment in technical development. It covers matches across Europe, Asia, and the Americas, exceeding 3,000 games annually, allowing fans to fully enjoy the excitement. The expert team, with deep professionalism and rich experience, publishes over 10,000 analyses and predictions yearly, answering questions, guiding betting, and earning widespread trust. The “Wa Sai Model” is an artificial intelligence match prediction tool that deeply analyses recent performances of opposing teams, home and away differences, lineup configurations, and historical data, while instantly aggregating and continuously updating information to provide users with prediction tendencies for various betting options.

These new products have quickly established a foothold in the market, effectively reaching the segmented user groups, boosting user activity and satisfaction, and laying a solid foundation to support long-term development of the paid sports information business.

4. *The Internationalised Product has been Successfully Launched with Positive and Favourable Market Feedback*

In 2024, the Group’s paid sports information products were officially launched in overseas markets. The overseas version, featuring core functions such as live score updates, odds information, AI models and recommendation plans, has first commenced operations in Southeast Asia. The overseas version provides fast and accurate real-time score updates, allowing users to keep track of match dynamics; the detailed odds data and in-depth analysis provide users with abundant references and information to make wiser decisions when placing wagers. With its powerful data processing capabilities and objective prediction algorithms, our AI model offers precise program recommendation service to the users. These products and technological advantages boosted our competitiveness in the international market.

5. *Deeply Exploring Channel Capabilities, Expanding New Media Sales Methods and Focusing on the Development of Short Video Platforms*

In 2024, we continued to deepen cooperations with leading platforms to consolidate and strengthen channel cooperations and sales capabilities. In particular, during the UEFA Euro Cup, Crazy Red Insights established in-depth cooperations with platforms that own video livestreaming copyrights. By integrating copyrighted livestreaming content with paid sports information services, the demands of sports enthusiasts are more effectively satisfied, and effectively prompting users to change to paid models.

At the same time, Crazy Sports carefully selected match analysis experts and signed agreements to create their personal IPs and launched them on mainstream short video platforms such as Douyin, WeChat Channel and Kuaishou, guiding users to use Crazy Red Insights APP. Leveraging their vast experience, professional knowledge and profound understanding of game matches, the experts of Crazy Sports provide high-quality, accurate match analysis and forecasts. The real-time interaction feature of short video livestreaming allows users to engage with hosts and other viewers in real time while watching the analysis and predications, thereby enhancing users' engagement and reliance on paid sports information product services.

We also proactively explored new business models, including joint marketing promotions and joint membership system, which have brought new growth drivers and development opportunities for the development of the Group's paid sports information business while continuing to optimise user experience.

Sports Lottery Retail Services

In 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. Focusing on the development needs of national and provincial sports lottery centers, Crazy Sports leverages the advantages of the Internet, artificial intelligence, and big data to innovate sales and service models, driving sustained growth in sports lottery sales and contributing to the public welfare of China's sports lottery system. To expand sports lottery sales channels, Crazy Sports opened 8 new stores in commercial complexes throughout the year, capitalising on policies to accelerate its strategic layout and secure premium shopping mall resources. Through joint marketing with brands like COCO Tea, the Company adapts to market demands and innovates its development models. In 2024, the overall sales of sports lottery new retail business maintained as a supportive business to the Group's core business and recorded revenue of HK\$12.4 million (2023: HK\$15.0 million). Moving forward, Crazy Sports will seize opportunities, respond swiftly to changes, and proactively implement targeted market adjustment strategies to ensure its business adapts to market changes and achieves progress while ensuring stability.

Sports and Leisure Gaming Business

In 2024, total revenue of the sports and leisure gaming business recorded HK\$132.3 million, representing a decrease of 41.6% compared to 2023, mainly due to instability in the domestic game market and the decline in players' spending power, which led to lower overall revenue from joint publishing games compared to the corresponding year in 2023. The Group proactively optimised its sports and leisure gaming business publishing strategy to avoid excessive investment in games with low return rates and intensifying efforts in IPs, distribution channels, and R&D of its existing sports gaming portfolio. Leveraging its own advantages, the Group published mobile games across multiple categories. This approach has enabled the continuous accumulation of high-quality users while steadily enhancing players' brand recognition of Crazy Sports. In 2024, Crazy Sports pursued a long-term strategy for its self-operated sports gaming business, with multiple products such as "Ace Soccer", "Soccer Manager" and "Football Eleven: Be a Pro" consistently releasing new expansion packs. Additionally, the launch of an internationalisation strategy for sports games, paired with the successful pre-registration of core products, is expected to inject fresh growth momentum into the next phase of the gaming business. The gaming business primarily focuses on the following key areas for development:

1. Focusing on core soccer IP games through the release of new games and large-scale expansion pack updates

As a FIFPro officially licensed football mobile game, "Ace Soccer" introduced multiple expansion pack updates, including a mini-program version, a third-anniversary celebration edition and a UEFA Euro edition. These updates brought new gameplay mechanics, special event modes and a revamped user interface design, delivering a more immersive gaming experience for players. Another football mobile game under Crazy Sports, "Soccer Manager", is a simulation-based football management game that integrates real-world football elements such as match scenarios, player data and competition rules, which allows players to experience the authentic atmosphere of being a football manager. During the UEFA Euro, the game launched a tailored UEFA Euro edition, enabling players to fully appreciate the excitement of modern football through this specialised version.

In the second half of 2024, Crazy Sports launched "Football Eleven: Be a Pro", a domestically developed 3A-grade football esports game. Following its release, the game garnered widespread acclaim for its exceptional product quality and strong market reputation among users, earning the "Monthly Star Product" award from the Hardcore Alliance, jointly evaluated by Huawei, OPPO, vivo, and other partners. The game incorporates the industry-leading Self-adaption Motion System, featuring over 30,000 authentic movements captured from professional football players. It utilises advanced technologies, including the "Multi-Dimensional Motion Fusion Algorithm", "Physics-Based Motion Correction Algorithm", and "Motion Switching and Interruption Algorithm", to deliver an immersive gaming experience for players. Currently, "Football Eleven: Be a Pro" offers seven competitive match modes: PVP Ranked Matches, Coach

Ranked Matches, Challenge Matches, Peak Weekly Matches, Invitational Matches, Event Matches, and Practice Matches. These modes recreate real-world football fields with real-time online battles.

2. *Multiple Key Products in Reserve, Fully Launching International Distribution*

Crazy Sports will continue to anchor its strategy in the Chinese market while advancing its international distribution strategy, actively expanding into the Southeast Asia, Europe, and Americas markets. This approach aims to continuously enhance the international market penetration and brand influence of the Group's gaming products. In 2024, "Football Eleven: Be a Pro" released a Southeast Asian version, officially starting the international distribution of this football esports mobile game. The Group will remain committed to its founding mission of "Let Sports Create Happiness," focusing on product innovation and global market distribution to continuously bring excellent sports gaming products to players worldwide.

3. *Continuous Optimisation of Joint Distribution Business and Proactive Adaptation to Market Changes in Distribution*

Leveraging the advantages of its platform's long-term expertise in game publishing and channel promotion, the Group has proactively pursued strategic optimisation and adjustment to its co-publishing game business. By accurately capturing market development trends, we have consistently released mobile games across categories such as casual puzzle games, action role-playing games, and simulation operation games, steadily accumulating a high-quality user base. In response to a decline in player spending power, the Group has proactively refined its publishing strategies and optimised its published product structure to ensure relatively stable returns from the co-publishing business. In the future, we will continuously monitor publishing market dynamics and proactively adjust our co-publishing game distribution strategies.

Sports Event Operations Business

Crazy Sports has leveraged its strengths and resources in "digital + sports" and "sports + entertainment" to innovate by integrating new event concepts such as combining WBC with influencer boxing matches and the B.Duck IP with sports carnivals. These incorporate sports entertainment elements to enhance both online and offline viewing experiences. By leveraging the vast reach of Douyin's platform, along with influencer boxers and B.Duck, these events have significantly boosted visibility and have drawn widespread users' attention and participation. Through successfully hosting sports IP events, the Group has not only achieved economic value for its sports event operations but also fulfilled its corporate social responsibility by promoting professional boxing and National Health Runs.

In June 2024, Crazy Sports successfully organised the China Foshan WBC Professional Boxing Championship, which attracted over 300 million views, and becoming a focal event in the Chinese sports community. The event set a record as the first three-star-rated China-Japan professional boxing showdown in mainland China. This record not only made it the highest-rated professional boxing event in mainland China in 2024 but also established it as the third three-star-rated international professional boxing event in mainland China's history.

In August and December 2024, Crazy Sports successfully hosted the B.Duck Run (Chengda Summer Resort Station) and the B.Duck Run (Foshan Danzao Station), respectively. These events actively implemented the national strategy of "National Fitness," helping local areas cultivate new consumption growth points through sports events and cultural tourism. With the goal of "Travelling with Events" and emphasising the theme of "Sports Promoting Consumption," they created a new consumption scenario deeply integrating sports, tourism, and commerce. This further boosted sports consumption, drove and promoted local economic development, and greatly enhanced Crazy Sports' brand influence.

In the future, the Group will continue to deepen cooperation and exchanges with outstanding domestic and international sports IP organisations, comprehensively enhancing its influence and competitiveness in the global sports industry market. This will assist in realising the long-term sustainable development of the Group's digital sports entertainment business.

Business Outlook

In 2025, advanced technologies such as AI will accelerate their integration into the sports industry. We will enhance the competitiveness of our AI assistant in the sports content domain by incorporating advanced machine learning algorithms. This will improve the reasoning capabilities of vertical models in event analysis, increasing the accuracy of event predictions. Simultaneously, we will analyse user behavior to deliver personalised event recommendations and strategic insights. By building a multimodal data analysis system that integrates diverse data types, we aim to provide innovative viewing experiences and other content, ultimately enhancing user satisfaction.

In 2025, Crazy Red Insights will continue to deepen its presence in short video platforms by establishing strategic partnerships with sports influencers and authoritative media. By integrating resources to create a sports short video live-streaming platform, we will fully leverage the strengths of all parties in content creation and distribution channels, achieving mutual benefits and win-win outcomes. Continued operations in the new media sector will emerge as a fresh growth driver for paid sports information platform.

Looking ahead, we will continue to expand the internationalisation progress of our business. Crazy Red Insights will deepen its integration into overseas sports markets by increasing the language coverage of its overseas versions and closely aligning with top-tier domestic and international events. This will enable us to build a comprehensive, professional, and internationalised sports event information and analysis service platform tailored to overseas users. In the field of sports gaming overseas, we will accelerate our internationalised distribution strategy, methodically expanding into Southeast Asia, the Middle East, Japan, South Korea, and the Europe-Americas markets in phases. This expansion will broaden our overseas market presence and drive the development of international sports gaming products.

It is noteworthy that from 15 June to 13 July 2025, the 2025 FIFA Club World Cup will be held in Miami, United States of America, marking its debut after a comprehensive upgrade. With a scale and format comparable to the FIFA World Cup, this event is poised to become the ultimate spectacle in club-level competitions. The tournament will bring together 32 of the world's top clubs for intense competition, with its event attention and commercial value expected to reach unprecedented heights. The Group will seize the significant opportunities presented by the 2025 FIFA Club World Cup, leveraging the traffic and engagement dividends to inject strong momentum into our business segments and boost overall revenue across the Group's operations.

FINANCIAL REVIEW

	For the year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000 (Restated)
Revenue	411,392	490,184
Cost of revenue	(266,090)	(310,808)
Gross profit	145,302	179,376
Other gains and losses	17,941	7,591
Selling and marketing expenses	(115,820)	(146,092)
Administrative expenses	(45,368)	(45,948)
Expected credit loss on trade and other receivables	(6,388)	–
Impairment of interest in an associate	(6,223)	(5,055)
Share of results of an associate	(3,147)	(9,663)
Finance costs	(573)	(1,192)
Loss before income tax	(14,276)	(20,983)
Income tax expense	(452)	(730)
Loss for the year	<u>(14,728)</u>	<u>(21,713)</u>

Revenue

The Group's total revenue was contributed by the digital sports entertainment related business. During 2024, the Group's total revenue was approximately HK\$411.4 million, representing a decrease of 16.1% as compared to 2023. The Group generated revenue mainly from five areas: (i) paid sports information platform, (ii) sports and leisure games, (iii) lottery-related commission income, (iv) sports events operation, and (v) digital collectibles platform. The Group's revenue generated from different product lines is summarised as below:

	2024		2023	
	HK\$'000	%	HK\$'000	%
Paid sports information platform	258,764	62.9	227,617	46.4
Sports and leisure games	132,324	32.2	226,571	46.2
Lottery-related commission income	12,358	3.0	15,016	3.1
Sports events operation	7,506	1.8	–	–
Digital collectibles platform	440	0.1	1,567	0.3
Sports social interactive platform	–	–	19,413	4.0
	<u>411,392</u>	<u>100.0</u>	<u>490,184</u>	<u>100.0</u>

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

- (1) In 2024, the core product line of the Group is its paid sports information platform, which recorded revenue amounted to HK\$258.8 million, representing an increase of HK\$31.1 million or 13.7% compared with 2023. During the UEFA Euro 2024, Crazy Red Insights launched “Ruyi”, the first large model AI assistant for the vertical domain of “Sports + Lottery” sector in China. Also, we increased R&D investments in paid sports information related products and successfully launched multiple well targeted products in the paid sports information sector and enriched product matrices. The Group’s paid sports information products maintained a steady growth trend despite facing challenges brought by new user consumption trends and recorded growth of approximately 11.7% in average monthly active users. In 2024, the Group restructured the product structure 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 decreased by 41.6% to approximately HK\$132.3 million as compared to 2023. The decrease was mainly due to change in spending habits in the domestic game market, which led to lower overall revenue from joint publishing games compared to the corresponding year in 2023. During the year, 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 leveraging our existing sports game IP copyrights, distribution channels and R&D reserves.
- (3) In 2024, the Group has leveraged its strengths and resources in “digital + sports” and “sports + entertainment” to innovate by integrating new event concepts such as combining the WBC with influencer boxing matches and the B.Duck IP with sports carnivals. The Group successfully organised several major events, including the China Foshan WBC Professional Boxing Championship, B.Duck Run (Mountain Resort Station) and B.Duck Run (Foshan Danzao Station). These events recorded revenue amounted to HK\$7.5 million in 2024.
- (4) During 2024, 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.

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 event experts, and (iv) amortisation of intangible assets. Total cost of revenue of the Group decreased by 14.4% to approximately HK\$266.1 million during the year as compared to 2023. The declining trend was due to decrease in revenue generated from the digital sports entertainment related businesses. Meanwhile, the amortisation of intangible assets included in cost of revenue increased by 12.1% to approximately HK\$34.7 million during the year as compared to 2023, which was a result of increased investment in R&D assets.

During the year, gross profit of the Group was approximately HK\$145.3 million, representing an decrease of 19.0% as compared to 2023. The gross margin slightly decreased to 35.3% in 2024 from 36.6% in 2023. The lower gross margin was due to an increase in amortisation of intangible assets included in cost of revenue.

Other gains and losses

Other gains and losses for the year recorded a gain of HK\$17.9 million. It was mainly attributable to the fair value gain from financial assets at fair value through profit or loss amounted to HK\$13.3 million and exchange gain of HK\$4.1 million. Other gains and losses for 2023 was mainly attributable to the fair value gain from financial assets at fair value through profit or loss amounted to HK\$2.7 million and exchange gain of HK\$2.4 million.

Expected credit loss on trade and other receivables

The Group recorded a expected credit loss on trade and other receivables for the year of HK\$6.4 million (2023: HK\$nil). It was driven by increase to provision for trade and other receivables based on the expected credit loss model.

Selling and marketing expenses

Selling and marketing expenses decreased by 20.7% to HK\$115.8 million in 2024 from HK\$146.1 million in 2023. During 2024, the Group focused its promotion and marketing efforts in paid sports information platform and avoided excessive efforts in promotion of games with low return rates.

Administrative expenses

Administrative expenses decreased by 1.3% to HK\$45.4 million in 2024 from HK\$45.9 million in 2023. The decrease in administrative expenses remained constant as last year with similar cost structure of corporate expenses.

Impairment of interest in an associate

Impairment loss of HK\$6.2 million was recognised in respect of the Group's interest in BOA in 2024, as compared to an impairment loss of HK\$5.1 million in 2023. The fair value of BOA was determined with references to an independent valuation as at 31 December 2024 and impairment loss was made primarily due to continuously decline in net asset value of BOA as a result of losses recognised during the year. As at 31 December 2024, the carrying amount of our Group's interest in BOA was reduced to HK\$Nil (2023: HK\$9.4 million).

Share of results of an associate

Share of loss of an associate was HK\$3.1 million for 2024 whereas share of loss of HK\$9.7 million was recorded 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 amounted to HK\$10.0 million.

Income tax

There was a decrease in income tax expense recorded in 2024 as compared to 2023.

Net loss for the year

As a result of the foregoing, the Group recorded loss of HK\$14.7 million for 2024, as compared to a loss of HK\$21.7 million in 2023. The loss was decreased due to the increase in other gains and decrease in selling and marketing expenses.

STRATEGIC INVESTMENTS

As at 31 December 2024, the investment portfolio of the Group amounted to approximately HK\$234.3 million (2023: HK\$275.5 million), which was recorded as financial assets at fair value through profit or loss or through other comprehensive income.

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, blockchain information technology, media, sports and entertainment industries to establish opportunities for further collaborations or achieve synergies.

Investment in private equity funds

As at 31 December 2024, the Group has investment in private equity funds amounted to HK\$232.0 million (2023: HK\$274.3 million), which accounted for 24.0% of the total assets. The balance 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 31 December 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. The fair value of the Group’s investment in CPC Fund is HK\$159.2 million as at 31 December 2024 (2023: HK\$157.0 million), with a

fair value gain of HK\$2.2 million recognised as other gains and losses. The fair value of CPC Fund accounted for 16.5% (2023: 14.6%) of the Group's total assets as at 31 December 2024. Dividend income of HK\$11.1 million was recognised from CPC Fund during the year (2023: HK\$2.8 million).

(b) *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 2024, 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 invested in AI, internet, media and technology businesses. Due to the market volatility of the investment in start-up businesses in China, the fair value of the Group's investment in New Rock Capital Fund was HK\$72.8 million as at 31 December 2024 (2023: HK\$117.3 million), with a fair value loss of HK\$44.5 million recognised as other comprehensive income. The fair value of New Rock Capital Fund accounted for 7.5% (2023: 10.9%) of the Group's total assets as at 31 December 2024. No dividend income was received from New Rock Fund during the year (2023: HK\$Nil).

Investment in BOA

The Group holds 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 and is regulated by the authorities of BVI. It uses advance 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 continued to provide banking services to offshore companies as its primary business and focused on marketing its services to South East Asia and to the Global South and obtaining increased fundings in 2024. A share of losses of HK\$3.1 million was recorded during 2024. 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\$10.0 million. As at 31 December 2024, there was an impairment of HK\$183.1 million (2023: HK\$176.9 million) of the Group's interest in BOA with reference to the valuation prepared by an independent valuation expert. An impairment loss was recognised during the year since fair

value estimated for the interest in BOA decreased due to decline in its net assets value. BOA delivered a loss position for the year. The fair value of interest in BOA is below the carrying amount of interest because the business had not reached its operational targets up to the end of the 2024 financial year and there are uncertainties in the future income stream.

LIQUIDITY AND FINANCIAL RESOURCES

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

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	40,548	(987)
Net cash used in investing activities	(71,555)	(849)
Net cash used in financing activities	(6,473)	(17,260)
Net decrease in cash and cash equivalents	(37,480)	(19,096)
Effect of changes in foreign exchange rate	1,249	1,780
Cash and cash equivalents at beginning of year	60,589	77,905
Cash and cash equivalents at end of year	24,358	60,589

Working capital

The Group had HK\$24.4 million cash and cash equivalents as at 31 December 2024, as compared to a balance of HK\$60.6 million as at 31 December 2023. The Group has sufficient cash resources to satisfy their future working capital and other financing requirements.

Net cash generated from operating activities

The Group's net cash generated from operating activities amounted to approximately HK\$40.5 million during the year, compared to net cash used in operating activities of HK\$1.0 million for 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 games and applications, selling and marketing expenses and operating expenses such as staff costs. The increase in cash generated from operating activities in 2024 were primarily due to a decrease in accounts receivable and other receivables and prepayments.

Net cash used in investing activities

Net cash used in investing activities was HK\$71.6 million in 2024, as compared to net cash used in investing activities of HK\$0.9 million in 2023. The net cash used in investing activities in 2024 was mainly comprised of acquisition and development costs of intangible assets which amounted to HK\$70.5 million.

Net cash used in financing activities

Net cash used in financing activities was HK\$6.5 million in 2024 as compared to net cash used in financing activities of HK\$17.3 million in 2023. The net cash used was mainly comprised of the repayment of bank borrowings of HK\$19.5 million and increase in bank borrowings of HK\$16.3 million.

Capital Structure

As at 31 December 2024, the Group's total assets amounted to HK\$967.7 million (2023: HK\$1,077.0 million) which were substantially financed by shareholders' fund of HK\$690.1 million (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.

Material acquisitions and disposals

There was no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2024.

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 31 December 2024 and 2023.

Contingent liabilities

As at 31 December 2024 and 2023, we did not have any material contingent liabilities.

Gearing ratio

As at 31 December 2024, gearing ratio was approximately 2.3% (2023:2.6%), which was calculated by dividing the total borrowings by the total equity attributable to owners of the Company.

Dividends

No dividends have been paid or declared by the Group during the years ended 31 December 2024 and 2023.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 HK\$'000	2023 HK\$'000 (Restated)
Revenue	5	411,392	490,184
Cost of revenue		(266,090)	(310,808)
Gross profit		145,302	179,376
Other gains and losses, net	6	17,941	7,591
Selling and marketing expenses		(115,820)	(146,092)
Administrative expenses		(45,368)	(45,948)
Expected credit loss on trade and other receivables		(6,388)	–
Impairment of interest in an associate		(6,223)	(5,055)
Share of results of an associate		(3,147)	(9,663)
Finance costs	7	(573)	(1,192)
Loss before income tax	8	(14,276)	(20,983)
Income tax expense	9	(452)	(730)
LOSS FOR THE YEAR		(14,728)	(21,713)
Other comprehensive income			
Items that will or may be reclassified to profit or loss:			
– Reclassification upon dissolution of a subsidiary		–	178
Items that will not be reclassified to profit or loss:			
– Exchange differences arising on translation to presentation currency		(27,310)	(19,718)
– Fair value change on financial assets at fair value through other comprehensive income		(44,482)	4,975
Other comprehensive income for the year, net of tax		(71,792)	(14,565)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(86,520)	(36,278)

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
LOSS FOR THE YEAR			
ATTRIBUTABLE TO:			
Owners of the Company		(14,718)	(21,665)
Non-controlling interests		<u>(10)</u>	<u>(48)</u>
		<u>(14,728)</u>	<u>(21,713)</u>
TOTAL COMPREHENSIVE INCOME			
ATTRIBUTABLE TO:			
Owners of the Company		(86,450)	(36,185)
Non-controlling interests		<u>(70)</u>	<u>(93)</u>
		<u>(86,520)</u>	<u>(36,278)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic (<i>HK cents</i>)	10	<u>(0.33)</u>	<u>(0.48)</u>
– Diluted (<i>HK cents</i>)	10	<u>(0.33)</u>	<u>(0.48)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

		31 December 2024	31 December 2023	1 January 2023
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Restated)	(Restated)
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Property, plant and equipment		594	1,040	1,845
Goodwill		385,500	399,601	410,124
Intangible assets		138,029	104,470	135,476
Interest in an associate	11	–	9,370	24,088
Financial assets at fair value through other comprehensive income		73,892	117,310	112,335
Financial assets at fair value through profit or loss		159,198	156,951	155,394
Right-of-use assets	16	4,598	5,579	8,581
Deferred tax assets		1,216	298	306
Prepayments for purchase of intangible assets		7,027	9,469	9,717
		770,054	804,088	857,866
CURRENT ASSETS				
Trade receivables	12	82,815	107,618	175,576
Other receivables, deposits and prepayments		88,110	102,775	83,469
Financial assets at fair value through profit or loss		1,243	1,262	2,880
Amounts due from related companies		1,165	667	682
Income tax receivables		–	–	1,248
Cash and cash equivalents		24,358	60,589	77,905
		197,691	272,911	341,760
TOTAL ASSETS		967,745	1,076,999	1,199,626

		31 December 2024	31 December 2023	1 January 2023
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>	<i>HK\$'000</i>
			(Restated)	(Restated)
CURRENT LIABILITIES				
Trade and other payables	13	93,814	80,197	121,435
Contract liabilities	14	10,983	42,467	65,754
Lease liabilities	16	2,529	2,198	2,831
Amount due to a related company		37,584	37,584	41,784
Bank borrowings	15	15,960	19,853	33,959
Income tax payable		112,338	112,352	112,094
		273,208	294,651	377,857
NET CURRENT LIABILITIES				
		(75,517)	(21,740)	(36,097)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		694,537	782,348	821,769
NON-CURRENT LIABILITIES				
Deferred tax liabilities		–	–	1,144
Lease liabilities	16	2,144	3,435	5,762
		2,144	3,435	6,906
NET ASSETS				
		692,393	778,913	814,863
EQUITY				
Share capital		45,262	45,262	45,262
Reserves		645,516	731,966	767,823
Equity attributable to owners of the Company		690,778	777,228	813,085
Non-controlling interests		1,615	1,685	1,778
TOTAL EQUITY				
		692,393	778,913	814,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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 HM10, Bermuda. Its principal place of business in Hong Kong is located at Suites 3702–3, 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 (thereafter referred to as the “**Group**”) are principally engaged in the development and operation of paid sports information platform, sports quizzing platform, sports events operation, 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. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new or amended HKFRS Accounting Standards

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

None of these new or amended HKFRS Accounting Standards has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period. Impact on the applications of these amended HKFRS Accounting Standards are summarised below.

(b) New or amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new or amended HKFRS Accounting Standards, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKAS 21	Lack of Exchangeability ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

The Group does not expect the adoption of these amendments will have significant impact on the consolidated financial statements of the Group.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (collectively “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the provisions of the Hong Kong Companies Ordinance, Cap. 622 which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

(b) Basis of measurement and going concern assumption

The financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values as explained in the accounting policies set out below.

The consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue to operate as a going concern, notwithstanding the fact that the Group had net current liabilities of HK\$75,517,000 as at 31 December 2024.

In the opinion of the directors of the Company (the “**Directors**”), the Group is able to maintain itself as a going concern in the coming year by taking into consideration that the balances amounting HK\$37,584,000 and HK\$56,983,000 due to the original shareholder of Easy Prime Developments Limited (“**Easy Prime**”), a wholly-owned subsidiary of the Company, and Dr. Zhang Lijun, the Director of the Company, respectively, they have agreed not to demand for any repayment of the balances due to them until the Group is in a financial position to do so.

Based on the above, the Directors are satisfied that the Group will have sufficient cash resources to satisfy their future working capital and other financing requirements and it is appropriate to prepare these consolidated financial statements on a going concern basis. Accordingly, these consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group fail to continue as a going concern.

(c) Functional and presentation currency

The functional currency of the Company is Renminbi (“**RMB**”), while the consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), 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.

(d) Prior year adjustment

In previous years, the Group classified certain investment funds as financial assets at fair value through other comprehensive income (“**FVOCI**”) upon the first adoption of HKFRS 9 “Financial Instruments” effected in 2018. During the year, the Group has reassessed the terms and condition of these investment funds, specifically the contractual period and extension options, and have conducted that an investment fund should have been classified as “Financial assets at fair value through profit or loss (“**FVTPL**”)”. Accordingly, adjustments have been made retrospectively to reclassify such investment fund from “Financial assets at FVOCI” to “Financial assets at FVTPL”.

The impact of the prior year adjustments to the financial statements of the Group are set forth below.

	31 December 2023 <i>HK\$'000</i>	1 January 2023 <i>HK\$'000</i>
Consolidated statement of financial position:		
Decrease in financial assets at FVOCI	156,951	155,394
Increase in financial assets at FVTPL	156,951	155,394
Decrease in reserve – Investment revaluation reserve	80,999	82,556
Increase in reserve – Accumulated losses	80,999	82,556
	31 December 2023 <i>HK\$'000</i>	

Consolidated statement of profit or loss and other comprehensive income:	
Increase in other gains and losses, net	1,557
Decrease in other comprehensive income that will not be reclassified to profit or loss	1,557

The adjustment has been applied as of the beginning of the earliest period presented and has been consistently applied throughout all relevant prior periods. The cumulative effect of the adjustment is reflected in the opening balances of equity for the earliest period presented.

Management believes that this change provides a more faithful representation of the consolidated financial position of the Group and of its consolidated financial performance. The impact on the comparative financial statements is disclosed for the benefit of stakeholders and to ensure transparency in our financial reporting. This adjustment does not impact the current year's consolidated financial statements.

The following tables disclose the adjustment that have been made by the directors of the Group to each of the line items in the consolidated statements of profit or loss and comprehensive income for the year ended 31 December 2023, and the consolidated statement of financial position as at 31 December 2023 and 1 January 2023.

	As previously reported <i>HK\$'000</i>	Prior year adjustment <i>HK\$'000</i>	Restated <i>HK\$'000</i>
Year ended 31 December 2023			
Other gains and losses, net	6,034	1,557	7,591
Loss for the year	<u>(23,270)</u>	<u>1,557</u>	<u>(21,713)</u>
Attributable to:			
Owners of the Company	<u>(23,222)</u>	<u>1,557</u>	<u>(21,665)</u>
Financial assets at FVOCI:			
Change in fair value	<u>6,532</u>	<u>(1,557)</u>	<u>4,975</u>
Other comprehensive income for the year, net of tax	<u>(13,008)</u>	<u>(1,557)</u>	<u>(14,565)</u>
Loss per share – Basic and diluted (HK cents)	<u>(0.51)</u>	<u>0.03</u>	<u>(0.48)</u>

	As previously reported <i>HK\$'000</i>	Prior year adjustment <i>HK\$'000</i>	Restated <i>HK\$'000</i>
As at 31 December 2023			
NON-CURRENT ASSETS			
Financial assets at FVOCI	274,261	(156,951)	117,310
Financial assets at FVTPL	–	156,951	156,951
	<hr/>	<hr/>	<hr/>
Total non-current assets	804,088	–	804,088
	<hr/>	<hr/>	<hr/>
	As previously reported <i>HK\$'000</i>	Prior year adjustment <i>HK\$'000</i>	Restated <i>HK\$'000</i>
As at 1 January 2023			
NON-CURRENT ASSETS			
Financial assets at FVOCI	267,729	(155,394)	112,335
Financial assets at FVTPL	–	155,394	155,394
	<hr/>	<hr/>	<hr/>
Total non-current assets	857,866	–	857,866
	<hr/>	<hr/>	<hr/>

4. 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.

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 in order to allocate resources and assess performance of the segment.

For the year ended 31 December 2024, 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 specialised in the development and operation of paid sports information platform, sports quizzing platform, sports events operation, 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 2024, over 95% (2023: 100%) of the Group's revenue is attributable to customers in the PRC and over 90% (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 (2023: Hong Kong).

(c) Major customers

There was no individual customers of the Group contributing over 10% of the Group's revenue during the years ended 31 December 2024 and 2023.

5. REVENUE

An analysis of revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Digital sports entertainment business		
Paid sports information platform	258,764	227,617
Sports and leisure games	132,324	226,571
Lottery related commission income	12,358	15,016
Sports events operation	7,506	–
Digital collectibles platform	440	1,567
Sports social interactive platform	–	19,413
	<u>411,392</u>	<u>490,184</u>
Timing of revenue recognition		
At a point in time	7,946	1,567
Transferred over time	403,446	488,617
	<u>411,392</u>	<u>490,184</u>

6. OTHER GAINS AND LOSSES, NET

	2024 HK\$'000	2023 HK\$'000 (Restated)
Fair value gain on financial assets at FVTPL	13,333	2,733
Net foreign exchange gains	4,083	2,448
Government grants (<i>Note</i>)	109	1,433
Bank interest income	123	280
Others, net	293	697
	<u>17,941</u>	<u>7,591</u>

Note: For the years ended 31 December 2024 and 2023, the government grants are subsidies received from the PRC Government. The Group does not have other unfulfilled obligations relating to these programs.

7. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Interest on lease liabilities	267	303
Interest on bank borrowings	306	889
	<u>573</u>	<u>1,192</u>

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
Staff costs (excluding directors' remuneration)		
– Salaries and wages	17,559	16,174
– Pension fund contributions	3,229	3,494
– Share-based payments	–	305
	<u>20,788</u>	<u>19,973</u>
Depreciation of property, plant and equipment included in administrative expenses	534	855
Amortisation of intangible assets included in cost of revenue	34,658	30,908
Depreciation of right-of-use assets included in administrative expenses	2,667	2,835
Impairment of interest in an associate	6,223	5,055
Expected credit loss on trade and other receivables	6,388	–
Auditor's remuneration		
– Audit service	1,338	1,300
– Non-audit service	200	200
	<u>20,788</u>	<u>19,973</u>

9. INCOME TAX EXPENSE

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

	2024 HK\$'000	2023 HK\$'000
Current tax		
– Hong Kong profits tax for the year	–	–
– PRC enterprise income tax		
– Charge for the year	1,395	1,118
– Under provision in prior years	2	754
	<u>1,397</u>	<u>1,872</u>
Deferred taxation	<u>(945)</u>	<u>(1,142)</u>
Income tax expense	<u><u>452</u></u>	<u><u>730</u></u>

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits arising in Hong Kong for both years ended 31 December 2024 and 2023. No provision was made for Hong Kong profits tax as the Group had no assessable profits in Hong Kong during the year.

The subsidiaries established in the PRC are subject to enterprise income tax (“EIT”) at tax rates of 25% for both years ended 31 December 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 years ended 31 December 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.

10. 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 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss for the purposes of basic and diluted loss per share	<u>(14,718)</u>	<u>(21,665)</u>

Number of shares

	2024 '000	2023 '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	–	–
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 <i>HK cents</i>	2023 <i>HK cents</i> (Restated)
– Basic	<u>(0.33)</u>	<u>(0.48)</u>
– Diluted	<u>(0.33)</u>	<u>(0.48)</u>

For the years ended 31 December 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.

11. INTEREST IN AN ASSOCIATE

	2024 HK\$'000	2023 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>(183,135)</u>	<u>(176,912)</u>
	<u>–</u>	<u>9,370</u>

Note: After sharing the loss for the year attributed from the associate, amounting to HK\$3,147,000, which is limited to the Group's interest in the associate, the Group has discontinued the recognition of its share of loss of the associate. It arises from the fact that the share of loss of the associate exceeded the Group's interest in the associate, and the Group is not obliged to absorb any additional losses. The amount of the Group's unrecognised share of loss of an associate for the year and cumulatively are HK\$9,959,000 and HK\$9,959,000, 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
BOA	Limited company	British Virgin Islands (the "BVI")	45.49% (2023: 45.49%)	Provision of BVI banking services (<i>note</i>)

Note: BOA is established to provide online digital banking services mainly for BVI companies. During 2018, the Group's subsidiary, Smart Token Holdings Limited ("Smart Token") entered into a subscription agreement (the "Second Subscription Agreement") and completed the subscription of new shares of BOA. Afterward the Group holds 37.53% equity interest in BOA. In 2019, pursuant to the Second Subscription Agreement, BOA undertook to Smart Token that it should commence commercial operation and offer banking business to customers as granted under the approval letter on or before 27 September 2017, failing which Smart Token might require the guarantor to transfer to it for nil consideration such number of shares as would be equal to 10% of the total number of shares of BOA (the "Compensation Shares") in issue immediately after completion of the Second Subscription Agreement. On 17 August 2019, BOA had notified the Company that the British Virgin Islands Financial Services Commission had approved the transfer of the Compensation Shares to Smart Token, and accordingly the Group holds 47.53% equity interest in BOA.

Due to issuance of share capital by BOA, the equity interest held by the Group in BOA was diluted from 47.53% to 45.95% in 2020 and further diluted to 45.49% in 2021. The dilution of interest resulted in a deemed disposal of interest in an associate. No dilution of interest in BOA occurred for the years ended 2024 and 2023.

Headquartered in BVI, BOA was awarded its banking license from the BVI Financial Services Commission. BOA's business operation covers general banking services including deposits and loans in multiple currencies, cross-border payments and remittance.

The above associate is accounted for using the equity method in the consolidated financial statements.

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in the consolidated financial statements:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net assets of the associate	–	6,918
Proportion of the Group's ownership interest in the associate	45.49%	45.49%
Goodwill	<u>183,135</u>	<u>183,135</u>
	183,135	186,282
Less: impairment	<u>(183,135)</u>	<u>(176,912)</u>
Carrying amount of the Group's interest in the associate	<u><u>–</u></u>	<u><u>9,370</u></u>

12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	88,186	107,618
Less: provision for impairment of trade receivables	<u>(5,371)</u>	<u>–</u>
Trade receivables, net	<u><u>82,815</u></u>	<u><u>107,618</u></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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 6 months	72,414	82,429
Over 6 months but within 1 year	10,401	24,255
Over 1 year	<u>–</u>	<u>934</u>
	<u><u>82,815</u></u>	<u><u>107,618</u></u>

The Group does not hold any collateral as security.

The Group assessed impairment loss based on the expected credit loss (“ECLs”) approach. The Group has a policy granting its customers credit periods normally ranging from 90 to 180 days.

Movements in the impairment allowance for trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	–	–
Provision of ECLs	5,479	–
Exchange adjustments	(108)	–
	<u>5,371</u>	<u>–</u>
At 31 December	<u><u>5,371</u></u>	<u><u>–</u></u>

13. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	13,359	15,045
Deposits received	21	78
Accruals	37,451	23,290
Other payables	42,983	41,784
	<u>93,814</u>	<u>80,197</u>
	<u><u>93,814</u></u>	<u><u>80,197</u></u>

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 6 months	3,098	7,562
Over 6 months but within 1 year	5,799	6,023
Over 1 year but within 2 years	3,308	538
Over 2 years	1,154	922
	<u>13,359</u>	<u>15,045</u>
Total trade payables	13,359	15,045
Accrued liabilities and other liabilities	80,455	65,152
	<u>93,814</u>	<u>80,197</u>
	<u><u>93,814</u></u>	<u><u>80,197</u></u>

14. CONTRACT LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract liabilities arising from games and applications	10,983	42,467
	<u><u>10,983</u></u>	<u><u>42,467</u></u>

Movements in contract liabilities:

	<i>HK\$'000</i>
Balance as at 1 January 2023	65,754
Exchange adjustments	(1,629)
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year	(64,241)
Increase in contract liabilities from sales of virtual currency to users of games and applications	42,583
	<hr/>
Balance as at 31 December 2023 and 1 January 2024	42,467
Exchange adjustments	(894)
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year	(41,794)
Increase in contract liabilities from sales of virtual currency to users of games and applications	11,204
	<hr/>
Balance as at 31 December 2024	<u>10,983</u>

15. BANK BORROWINGS

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank borrowings due for repayment within one year		
– Secured (<i>note (a)</i>)	12,768	5,515
– Unsecured (<i>note (b)</i>)	3,192	14,338
	<hr/>	<hr/>
	15,960	19,853
	<hr/>	<hr/>

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

- (i) As at 31 December 2024, certain bank loans granted by the Bank of China totalling RMB12,000,000 (equivalent to HK\$12,768,000) are secured by certain personal and corporate guarantee, and bear interest ranging from 1.40% to 2.30% per annum. The loans are repayable within one year on 31 May 2025, 30 September 2025 and 14 November 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, and bore interest of 2.25% per annum. The loan was repayable within one year on 7 November 2024.

(b) As at 31 December 2024, the unsecured bank borrowings granted by a bank of RMB3,000,000 (equivalent to HK\$3,192,000) 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 31 December 2024 and 2023, the fair value of bank borrowings approximates to their carrying amount largely due to the short-term maturities.
- (d) As at 31 December 2024, the Group has no unutilised banking facilities (2023: RMB2,000,000 (equivalent to HK\$2,206,000)).

16. LEASE

Leases as lessee

The Group leases office properties. The leases typically run for a period of two to five (2023: three to five) years. Lease payments are renegotiated every two to five (2023: three to five) years to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

(a) *Right-of-use assets*

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as right-of-use assets.

	Properties <i>HK\$'000</i>
At 1 January 2023	8,581
Depreciation charge for the year	(2,835)
Exchange adjustments	(167)
	<hr/>
At 31 December 2023 and 1 January 2024	5,579
Depreciation charge for the year	(2,667)
Modification of lease	1,829
Exchange adjustments	(143)
	<hr/>
At 31 December 2024	4,598
	<hr/> <hr/>

(b) *Lease liabilities*

	Properties <i>HK\$'000</i>
At 1 January 2023	8,593
Interest expense	303
Lease payments	(3,100)
Exchange adjustments	(163)
	<hr/>
At 31 December 2023 and 1 January 2024	5,633
Interest expense	267
Lease payments	(2,911)
Modification of lease	1,829
Exchange adjustments	(145)
	<hr/>
At 31 December 2024	4,673
	<hr/> <hr/>

Future lease liabilities are payable as follows:

	Minimum lease payments <i>HK\$'000</i>	Interest <i>HK\$'000</i>	Present value <i>HK\$'000</i>
At 31 December 2024			
Not later than one year	2,722	(193)	2,529
Later than one year but not later than five years	2,189	(45)	2,144
	4,911	(238)	4,673
At 31 December 2023			
Not later than one year	2,405	(207)	2,198
Later than one year but not later than five years	3,593	(158)	3,435
	5,998	(365)	5,633

The present value of future lease payments are analysed as:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities	2,529	2,198
Non-current liabilities	2,144	3,435
	4,673	5,633

17. PLEDGE OF ASSET

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

OTHER INFORMATION

Employee and Remuneration Policies

As at 31 December 2024, the Group had a total of 107 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 share option plans. The Group has granted 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 employees to upgrade their skills and knowledge on a regular basis.

Closure of Register of Members

The register of members of the Company will be closed from Friday, 2 May 2025 to Thursday, 8 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming annual general meeting of the Company, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 30 April 2025.

Corporate Governance

The Company is committed to achieving and maintaining statutory and regulatory standards and adhering to good corporate governance in the conduct of its business. The Board believes that good corporate governance is essential in enhancing the confidence of the shareholders, potential investors and business partners and is consistent with the Board's pursuit of value creation for the Shareholders.

The Company had applied and complied with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct for dealing in the securities of the Company by the Directors. Having made specific enquiry of all the Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2024.

Audit Committee

The Audit Committee consists of the independent non-executive Directors, namely Ms. LIU Haoming, Mr. ZANG Dongli and Mr. ZHOU Jingping. The Audit Committee has reviewed with management the accounting principles and standards adopted by the Group, and discussed auditing, risk management and internal control and financial reporting matters including the review of the annual results for the year ended 31 December 2024.

Scope of Work of the Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

Purchase, Redemption or Sale of Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2024.

Publication of the Final Results and Annual Report

This annual results announcement is published on the Company's website (<https://ir.crazysports.com>) and the Hong Kong Exchanges and Clearing Limited's website (<https://www.hkexnews.hk>). The Company's 2024 annual report will be despatched to the Shareholders and will be made available on the aforesaid websites in due course.

Appreciation

The Board would like to express its sincere gratitude to our employees for their hard work and commitment, which has been, and will continue to be, essential for the Group's success and competitive edge in a market full of challenges and uncertainties. The Board also thank the Shareholders for their continuous support and confidence in the Group.

Subsequent Event

Subsequent to the reporting period and as of the date of this announcement, there were no major event.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“2023”	the financial year ended 31 December 2023;
“2024”	the financial year ended 31 December 2024;
“AI”	artificial intelligence;
“AI Agent”	artificial intelligence agent;
“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;
“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;
“Director(s)”	the director(s) of the Company;
“FIFA Club World Cup”	FIFA Club World Cup;
“FIFPro”	Fédération Internationale des Associations de Footballeurs Professionnels
“Group”, “Crazy Sports” or “Crazy Sports Group”	the Company, together with its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards;
“IP”	intellectual property;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers;

“PRC” or “China”	the People’s Republic of China;
“R&D”	research and development;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	the shareholders of the Company;
“Smart Token”	Smart Token Holdings Limited, a company incorporated in BVI with limited liability, a direct wholly-owned subsidiary of the Company;
“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, 28 March 2025

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