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CRAZY SPORTS GROUP LIMITED

瘋狂體育集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 82)

PROFIT WARNING

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

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and its potential investors that, based on the information currently available to the Company including the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Year**”), the Group is expected to record a consolidated net loss of not more than HK\$30 million, as compared to a consolidated net profit of approximately HK\$18 million for the year ended 31 December 2022 (the “**Last Year**”). Such expected consolidated net loss is mainly due to the reasons below:

- (i) the Group’s other gains for the Year is expected to decrease compared to Last Year. A gain from disposal of a subsidiary of HK\$42.7 million was recognised in the Last Year due to realised exchange gains. No gain from disposal of subsidiary is expected to be recognised during the Year. Besides, dividend income from financial investment is expected to decrease from HK\$34.1 million in the Last Year to approximately HK\$2.8 million during the Year; and

- (ii) the Group's revenue for the Year is expected to decrease approximately by the range of 25% to 30% compared to Last Year, which is mainly due to decrease in revenue from sports and leisure games. In view of the absence of major sports events in the Year and uncertain prospect of game industry, the Group has proactively adjusted its publishing strategy for the gaming business in order to avoid excessive resources allocation on large-scale updates and new game launches. Besides, due to the decline in player spending power, the overall revenue of co-published games was affected during the Year.

Despite the above information, the Board believes that the overall financial, operational and business positions (including cashflow) of the Group remain healthy. The Group has intensified its efforts to focus on developing its paid sports information platform and sports lottery new retail services exclusively for sports enthusiasts, and increased resources to introduce advanced data analysis and artificial intelligence technology. In light of the rapid development of the sports industry in the People's Republic of China, the Group will continue to actively implement its development plan on key strategic areas in the digital sports industry, with a view to achieving long-term sustainable growth by leveraging its advantages in expertise and technology innovation. The Board is positive in the long-term growth potential of the Group.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on preliminary review of the unaudited consolidated management accounts, which have not been confirmed, reviewed or audited by the auditor of the Company, nor reviewed by the audit committee of the Board. The annual results of the Group for the Year may be subject to further adjustment(s) and may be different from the information contained in this announcement and may therefore be subject to changes. Further details of the Group's financial information will be published in the Company's annual results announcement for the Year, which is expected to be published by the end of March 2024.

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

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

Hong Kong, 12 March 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