



CRAZY SPORTS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 82

Interim Report

2024



Contents

CORPORATE INFORMATION	2
2024 INTERIM RESULTS REVIEW	4
MANAGEMENT DISCUSSION AND ANALYSIS	6
DISCLOSURE OF INTERESTS IN THE SHARE CAPITAL OF THE COMPANY	23
SHARE OPTION SCHEMES	25
CORPORATE GOVERNANCE AND OTHER INFORMATION	30
FINANCIAL PAGES	
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	32
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	34
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	36
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	37
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	38
DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS	73

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Zhang Lijun (*Chairman*)
Mr. Peng Xitao (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Zang Dongli
Mr. Zhou Jingping
Ms. Liu Haoming

AUDIT COMMITTEE

Ms. Liu Haoming (*Chairlady*)
Mr. Zang Dongli
Mr. Zhou Jingping

NOMINATION COMMITTEE

Dr. Zhang Lijun (*Chairman*)
Mr. Zang Dongli
Mr. Zhou Jingping
Ms. Liu Haoming

REMUNERATION COMMITTEE

Mr. Zang Dongli (*Chairman*)
Dr. Zhang Lijun
Ms. Liu Haoming

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Peng Xitao (*Chairman*)
Mr. Zang Dongli
Mr. Zhou Jingping
Ms. Liu Haoming

EXECUTIVE COMMITTEE

Dr. Zhang Lijun (*Chairman*)
Mr. Peng Xitao

AUTHORISED REPRESENTATIVES

Dr. Zhang Lijun
Mr. Chan Lap Chun Jason

COMPANY SECRETARY

Mr. Chan Lap Chun Jason

AUDITOR

BDO Limited
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Bank of China
DBS Bank (Hong Kong) Limited

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House,
41 Cedar Avenue,
Hamilton HM 12,
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor,
31 Victoria Street,
Hamilton HM 10,
Bermuda

PRINCIPAL PLACE OF BUSINESS

17/F, Tower C,
Dongjin International Center,
East of Yaowahu Bridge,
East 4th Ring Road,
Chaoyang District,
Beijing, PRC

Suites 3702-3, 37/F, Tower Two,
Times Square,
1 Matheson Street,
Causeway Bay,
Hong Kong

CORPORATE WEBSITE

www.ir.crazysports.com

STOCK CODE

00082

2024 Interim Results Review

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.

Management Discussion and Analysis

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.

Management Discussion and Analysis (Continued)

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.

Management Discussion and Analysis (Continued)

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	(127,761)	(178,598)
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	(298)	(763)
Loss before income tax	(6,161)	(9,746)
Income tax credit	497	247
Loss for the Period	(5,664)	(9,499)

Management Discussion and Analysis (Continued)

Revenue

The Group's total revenue for the Period was HK\$208.3 million, representing a decrease of 23.7% as compared with the corresponding period of 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	
	Amount	%	Amount	%
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.

Management Discussion and Analysis (Continued)

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 in 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.

Management Discussion and Analysis (Continued)

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).

Management Discussion and Analysis (Continued)

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 HK\$'000	2023 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.

Management Discussion and Analysis (Continued)

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.

Management Discussion and Analysis (Continued)

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.

Disclosure of Interests in the Share Capital of the Company

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ASSOCIATED CORPORATION

As at 30 June 2024, the Directors and chief executive had the following interests in the Shares and underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(A) Long position in the ordinary shares and underlying shares of the Company:

Name of Director	Capacity	Number of ordinary Shares held	% of total issued share capital	Number of underlying Shares in respect of Share Options granted	% of total issued share capital
Zhang Lijun	Beneficial owner/ Interest of spouse/ Founder of discretionary trust	1,034,563,113 (Note)	22.86%	1,000,000	0.02%
Peng Xitao	Beneficial owner	55,810,000	1.23%	4,000,000	0.09%
Zhou Jingping	Beneficial owner	—	—	3,000,000	0.07%

Disclosure of Interests in the Share Capital of the Company (Continued)

Note: As at 30 June 2024, Dr. Zhang Lijun (“**Dr. Zhang**”) held and was deemed to hold under the SFO in aggregate 1,034,563,113 Shares, representing approximately 22.86% of the Company’s issued share capital. These 1,034,563,113 Shares comprised: (i) 72,514,113 Shares directly held by Dr. Zhang; (ii) deemed interest of 9,350,000 Shares directly held by Ms. Wang Chun (“**Ms. Wang**”), spouse of Dr. Zhang; (iii) deemed interest of 622,500,000 Shares held by Blazing Ace Limited, which is wholly owned by Avis Trend Limited; and (iv) deemed interest of 330,199,000 Shares held by Avis Trend Limited. Avis Trend Limited is wholly owned by Cantrust (Far East) Limited in its capacity as the trustee of a discretionary family trust established by Dr. Zhang as settlor, and the discretionary beneficiaries of the trust include Dr. Zhang, Ms. Wang and their family members.

(B) Long position in the ordinary shares of associated corporations:

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares held	% of total issued share capital
Zhang Lijun	BOA (Note)	Interest of controlled corporation	8,800,000	5.16%

Note: BOA is owned as to 45.49% by the Company and 5.16% by Oasis Sun Investments Limited (“**Oasis Sun**”), a company wholly-owned by Dr. Zhang. Dr. Zhang is deemed to be interested in Oasis Sun’s 5.16% interest in BOA under the SFO.

Save as disclosed herein, as at 30 June 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares and underlying Shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, other than the Directors whose interests are disclosed above, the Company was not aware of any persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

2022 SCHEME AND 2012 SCHEME

On 26 May 2022, the Shareholders at the 2022 AGM approved the 2022 Scheme. The 2022 Scheme is governed by the Chapter 17 of the Listing Rules. The 2012 Scheme expired on 30 April 2022 and no further Share Options shall be offered under the 2012 Scheme. Share Options which had been granted during the life of the 2012 Scheme shall continue to be valid and exercisable until lapse. As at 30 June 2024, a total of 55,000,000 outstanding Share Options were granted under the 2012 Scheme.

Under the 2022 Scheme, the Directors may, at their discretion, invite any eligible participants to take up Share Options to subscribe for Share(s). The exercise price for the Share Options shall be determined in accordance with the 2022 Scheme and the relevant provisions of the Listing Rules.

No Share Option was granted under the 2022 Scheme during the six months ended 30 June 2024. Given that no Share Option has been granted under the 2022 Scheme during the Period, the relevant disclosure of number of Shares that may be issued in respect of the Share Options granted under the 2022 Scheme during the Period divided by the weighted average number of shares of the relevant class in issue for the Period is inapplicable.

The terms and conditions of the grants and movements in the number of Share Options under the 2022 Scheme and 2012 Scheme during the Period were as follows:

For the six months ended 30 June 2024 (unaudited)

	Outstanding at 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Outstanding at 30 June 2024	Exercise price HK\$	Vesting Period (note v)	Exercise period
Executive Directors									
Dr. Zhang Lijun									
– on 19 March 2021	1,000,000	–	–	–	–	1,000,000	1.120	–	19/03/2021 to 18/03/2026
	1,000,000	–	–	–	–	1,000,000			

Share Option Schemes (Continued)

	Outstanding at 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Outstanding at 30 June 2024	Exercise price HK\$	Vesting Period (note v)	Exercise period
Mr. Peng Xitao									
– on 19 March 2021	2,000,000	–	–	–	–	2,000,000	1.120	–	19/03/2021 to 18/03/2026
– on 12 December 2023	2,000,000	–	–	–	–	2,000,000	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
	4,000,000	–	–	–	–	4,000,000			
Sub-total	5,000,000	–	–	–	–	5,000,000			
Independent non- executive Directors									
Mr. Zhou Jingping									
– on 5 October 2020	3,000,000	–	–	–	–	3,000,000	0.385	–	05/10/2020 to 04/10/2025
Sub-total	3,000,000	–	–	–	–	3,000,000			

Share Option Schemes (Continued)

	Outstanding at 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Outstanding at 30 June 2024	Exercise price HK\$	Vesting Period (note v)	Exercise period
Employees participants									
– on 5 October 2020	28,000,000	–	–	–	–	28,000,000	0.385	–	05/10/2020 to 04/10/2025
– on 19 March 2021	4,000,000	–	–	–	–	4,000,000	1.120	–	19/03/2021 to 18/03/2026
– on 5 July 2022	16,000,000	–	–	–	–	16,000,000	0.570	–	05/07/2022 to 04/07/2027
– on 12 December 2023	28,000,000	–	–	–	–	28,000,000	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
Sub-total	76,000,000	–	–	–	–	76,000,000			
Service providers (note i)									
– on 19 March 2021	1,000,000	–	–	–	–	1,000,000	1.120	–	19/03/2021 to 18/03/2026
Sub-total	1,000,000	–	–	–	–	1,000,000			

Share Option Schemes (Continued)

	Outstanding at 1 January 2023	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Outstanding at 30 June 2023	Exercise price HK\$	Vesting Period (note v)	Exercise period
Others (note ii)									
– on 5 October 2020	14,000,000	–	–	–	–	14,000,000	0.385	–	05/10/2020 to 04/10/2025
– on 19 March 2021	2,000,000	–	–	–	–	2,000,000	1.120	–	19/03/2021 to 18/03/2026
Sub-total	16,000,000	–	–	–	–	16,000,000			
Total	101,000,000	–	–	–	–	101,000,000			

Notes:

- (i) The “Service providers” consists of consultants were appointed by the Company to provide strategy development advice for the development of the Group and to introduce potential business partners to the Group.
- (ii) The “Others” consists of former Directors.
- (iii) During the Period, none of the participants with Share Options granted and to be granted in excess of the 1% individual limit and none of the related entity participant or service provider with Share Options granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of Shares in issue.
- (iv) The 2022 Scheme was effective from 30 May 2022. The number of Share Options available for grant under the scheme mandate of the 2022 Scheme at the beginning of the Period was 406,613,544 and at the end of the Period was 406,613,544, respectively.
- (v) The 30,000,000 Share Options granted on 12 December 2023 are vested on the first anniversary of the date of grant and may be exercisable during the period from 12 December 2024 to 11 December 2025.

Additional information in relation to the Share Options and the movement of the Share Options during the Period are set out in Note 21 to the interim condensed consolidated financial statements.

EASY PRIME SHARE OPTION SCHEME

On 21 May 2020, the Shareholders at the Company's annual general meeting approved Easy Prime Share Option Scheme enabling the grant of Easy Prime Options to eligible participants as incentives or rewards to encourage the grantees of such options to work towards enhancing the value of Easy Prime and their shares, respectively and for the benefit of the Group as a whole.

The Easy Prime Board will have the right to grant to the participants options to subscribe for Easy Prime Shares, which when aggregated with any securities to be granted by Easy Prime subject to any other share option schemes shall not in aggregate exceed the Scheme Mandate Limit unless the approval from the Shareholders in general meeting has been obtained to renew the Scheme Mandate Limit such that the total number of Easy Prime Shares in respect of which options may be granted by the Easy Prime Board under the Easy Prime Share Option Scheme and any other share option schemes of Easy Prime in issue shall not exceed Renewal Limit. Separate approval from the Shareholders in general meeting for granting Easy Prime Options beyond the Scheme Mandate Limit and Renewal Limit may be sought. At present, Easy Prime does not intend to obtain such approval.

The maximum number of Easy Prime Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Easy Prime Share Option Scheme and any other share option schemes of Easy Prime shall not exceed 30% of the total number of Easy Prime Shares in issue from time to time.

The total number of shares of each of Easy Prime may be issued upon exercise of all options to be granted under the Easy Prime Share Option Scheme shall not in aggregate exceed 10% of the total number of authorised and issued shares of Easy Prime as at 21 May 2020, respectively.

Details of the Easy Prime Share Option Scheme were set out in the circular of the Company dated 20 April 2020.

No share options have been granted under the Easy Prime Share Option Scheme since the adoption date. The number of Easy Prime Options available for grant under the Easy Prime Share Option Scheme at the beginning of the Period was 5,000 and at the end of the Period was 5,000, respectively.

Corporate Governance and 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.

Corporate Governance and Other Information (Continued)

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have any future plans for material investments or capital assets as at 30 June 2024.

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.

EVENTS AFTER THE REPORTING PERIOD

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

By Order of the Board
Crazy Sports Group Limited
Peng Xitao
Chief Executive Officer

Hong Kong, 29 August 2024

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) 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)

**Interim Condensed Consolidated Statement of
Profit or Loss and Other Comprehensive Income (Continued)**

	Notes	Six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(5,662)	(9,462)
Non-controlling interests		(2)	(37)
		(5,664)	(9,499)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		(50,654)	(37,131)
Non-controlling interests		(46)	(117)
		(50,700)	(37,248)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
— Basic (HK cents)	11	(0.13)	(0.21)
— Diluted (HK cents)	11	(0.13)	(0.21)

Interim Condensed Consolidated Statement of Financial Position

		As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	12	730	1,040
Goodwill	14	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	16	249,096	274,261
Right-of-use assets	15(a)	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	17	106,718	107,618
Other receivables, deposits and prepayments		117,490	102,775
Financial assets at fair value through profit or loss	16	1,317	1,262
Amounts due from related companies	22(e)	38	667
Cash and cash equivalents		35,864	60,589
		261,427	272,911
TOTAL ASSETS		1,012,192	1,076,999

Interim Condensed Consolidated Statement of Financial Position (Continued)

	Notes	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade and other payables	18	89,045	80,197
Contract liabilities		27,945	42,467
Lease liabilities	15(b)	2,432	2,198
Amounts due to related companies	22(e)	38,677	37,584
Bank borrowings	23	10,744	19,853
Income tax payable		111,764	112,352
		280,607	294,651
NET CURRENT LIABILITIES		(19,180)	(21,740)
TOTAL ASSETS LESS CURRENT LIABILITIES		731,585	782,348
NON-CURRENT LIABILITIES			
Lease liabilities	15(b)	3,372	3,435
NET ASSETS		728,213	778,913
EQUITY			
Share capital	19	45,262	45,262
Reserves		681,312	731,966
Equity attributable to owners of the Company		726,574	777,228
Non-controlling interests		1,639	1,685
TOTAL EQUITY		728,213	778,913

Interim Condensed Consolidated Statement of Changes In Equity

	Attributable to owners of the Company								Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Other reserves HK\$'000	Share-based compensation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Non- controlling interests HK\$'000	
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)
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	–	–
Balance at 30 June 2023 (unaudited)	45,262	1,771,496	(91,532)	1,059,408	4,223	(90,391)	(1,922,512)	1,661	777,615
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)
Total comprehensive income for the period	–	–	(25,165)	–	–	(19,827)	(5,662)	(46)	(50,700)
Balance at 30 June 2024 (unaudited)	45,262	1,771,496	(117,876)	1,059,408	4,551	(94,333)	(1,941,934)	1,639	728,213

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) 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 PERIOD	60,589	77,905
CASH AND CASH EQUIVALENTS AT END OF PERIOD	35,864	70,335

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.

2. BASIS OF PREPARATION (Continued)

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.

5. SEGMENT REPORTING (Continued)

(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.

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

6. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
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
	208,311	272,890
Timing of revenue recognition		
At a point in time	409	728
Transferred over time	207,902	272,162
	208,311	272,890

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
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
	3,079	8,072

8. FINANCE COSTS

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

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

9. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Staff costs (excluding directors' remuneration)		
— Salaries and wages	8,859	7,943
— Pension fund contributions	1,951	1,598
	10,810	9,541
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	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
— Hong Kong profits tax for the period	—	—
— PRC enterprise income tax for the period	2	831
	2	831
Deferred taxation	(499)	(1,078)
Income tax credit	(497)	(247)

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.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

10. INCOME TAX CREDIT (Continued)

- 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) HK\$'000	2023 (Unaudited) HK\$'000
Loss for the purposes of basic and diluted loss per share	(5,662)	(9,462)

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY
(Continued)

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	—	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	4,526,135	4,526,135

Loss per share

	2024 (Unaudited) HK Cents	2023 (Unaudited) HK Cents
— Basic	(0.13)	(0.21)
— Diluted	(0.13)	(0.21)

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.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

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 (Note)	—	3,147
Goodwill	183,135	183,135
	183,135	186,282
Less: impairment	(176,912)	(176,912)
	6,223	9,370

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

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

13. INTEREST IN AN ASSOCIATE (Continued)

Summarised financial information

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Total assets	388,529	423,150
Total liabilities	(394,731)	(416,232)
Net (liabilities)/assets	(6,202)	6,918
Carrying amount of the Group's interest in the associate	6,223	9,370
	Six months ended 30 June 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue	5,686	6,941
Loss for the period	(13,140)	(12,824)
Included in the above amounts are: Depreciation and amortisation	17	799

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

14. GOODWILL

	HK\$'000
Cost:	
At 1 January 2023 (audited)	410,124
Exchange adjustments	(10,523)
<hr/>	
At 31 December 2023 (audited)	399,601
Exchange adjustments	(10,344)
<hr/>	
At 30 June 2024 (unaudited)	389,257
<hr/>	
Carrying amount:	
At 30 June 2024 (unaudited)	389,257
<hr/>	
At 31 December 2023 (audited)	399,601
<hr/>	

Goodwill is allocated to the Group's cash generating units identified to country of operation and business segment. The carrying amounts as at 30 June 2024 and 31 December 2023 were related to the Group's Digital sports entertainment business in the PRC.

The Group tests goodwill annually as there are no indications that goodwill might be impaired.

15. LEASES

(a) Right-of-use assets

The recognised right-of-use assets relate to the following types of assets:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Properties	5,847	5,579

(b) Lease liabilities

	Properties HK\$'000
At 1 January 2023 (audited)	8,593
Interest expense	303
Lease payments	(3,100)
Exchange adjustments	(163)
At 31 December 2023 and 1 January 2024 (audited)	5,633
Interest expense	113
Lease payments	(1,650)
Modification of lease	1,829
Exchange adjustments	(121)
At 30 June 2024 (unaudited)	5,804

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

15. LEASES (Continued)

(b) Lease liabilities (Continued)

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Current liabilities	2,432	2,198
Non-current liabilities	3,372	3,435
	5,804	5,633

16. OTHER FINANCIAL ASSETS

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Current assets:		
Financial assets at fair value through profit or loss:		
— Compensation arising from profit guarantee (note (a))	1,277	1,101
— Listed equity investment (note (c))	40	161
	1,317	1,262
Non-current assets:		
Financial assets at fair value through other comprehensive income:		
— Investment funds (note (b))	249,096	274,261

16. OTHER FINANCIAL ASSETS (Continued)

Notes:

- (a) Pursuant to the profit guarantee arrangement in relation to the acquisition of 3GUU Group, the Group is entitled to recover the related consideration shares at no cost as the actual result of 3GUU Group for the year ended 31 December 2013 was less than the relevant profit target. The Group has decided not to recall the consideration shares and asked the vendors to dispose of the related shares to settle the compensation in cash. Compensation is determined on the agreed number of shares to be disposed of at their fair value at the end of reporting period. The Directors classified the investment as financial asset at fair value through profit or loss.
- (b) The investment funds are as follows:
- (i) On 14 December 2015, the Group entered into a limited partnership agreement to subscribe, as a limited partner, in the total amount of US\$31,250,000 (equivalent to HK\$243,348,000) of China Prosperity Capital Mobile Internet Fund, L.P. (the “**CPC Fund**”). The timing of capital contribution of the investment is generally on an “as needed” basis. During 2018, the Group have wholly settled the committed investment of US\$31,250,000 to the CPC Fund.

The CPC Fund was established principally to achieve long-term capital appreciation primarily through privately-negotiated investments in equity and/or equity related securities of companies that operate in or otherwise derive significant business opportunities from the mobile internet sector, its related technologies, products and services. The Directors classified the investment as financial asset at fair value through other comprehensive income as the investment in the partnership is equity in nature, and it is held for long term strategic gains and not for trading. During the six months ended 30 June 2024, a fair value loss of HK\$10,940,000 (six months ended 30 June 2023: fair value gain of HK\$4,463,000) was recognised as other comprehensive income and decreased (six months ended 30 June 2023: increased) the investment revaluation reserve.

The CPC Fund did not declared dividend during the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$2,794,000).

As at 30 June 2024, the fair value of investment in the CPC Fund amounted to HK\$146,011,000 (31 December 2023: HK\$156,951,000), which accounted for 14.4% (31 December 2023: 14.6%) of the Group’s total assets.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

16. OTHER FINANCIAL ASSETS (Continued)

Notes: (Continued)

(b) The investment funds are as follows: (Continued)

- (ii) The New Rock Capital Fund LP (the “**New Rock Capital Fund**”) was established principally to achieve long-term capital appreciation primarily through privately-negotiated investments in telemedia related sectors. The Group is a limited partner in the New Rock Capital Fund and does not have control nor significant influence in its operational and financing decisions. The Directors classified the investment as financial asset at fair value through other comprehensive income as the investment in the partnership is equity in nature, and it is held for long term strategic gains and not for trading. During the six months ended 30 June 2024, a fair value loss of HK\$14,225,000 (six months ended 30 June 2023: fair value gain of HK\$3,248,000) was recognised as other comprehensive income and decreased (six months ended 30 June 2023: increased) the investment revaluation reserve.

The New Rock Capital Fund did not declared dividend during the six months ended 30 June 2024 and 2023.

As at 30 June 2024, the fair value of investment in the New Rock Capital Fund amounted to HK\$103,085,000 (31 December 2023: HK\$117,310,000), which accounted for 10.2% (31 December 2023: 10.9%) of the Group’s total assets.

- (c) It represents certain equity investments of listed securities in NASDAQ. During the six months ended 30 June 2024, a fair value loss of HK\$121,000 (six months ended 30 June 2023: fair value loss of HK\$79,000) was recognised as “Other gains and losses” in the interim condensed consolidated statement of profit or loss and other comprehensive income.

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

17. 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	(3,299)	–
Trade receivables, net	106,718	107,618

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	6,200	934
Total	106,718	107,618

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.

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

18. 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/>

19. SHARE CAPITAL

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
<i>Authorised:</i>		
50,000,000,000 ordinary shares of HK\$0.01 each	500,000	500,000
	<hr/>	<hr/>
<i>Issued and fully paid:</i>		
4,526,135,442 (31 December 2023: 4,526,135,442) ordinary shares of HK\$0.01 each	45,262	45,262
	<hr/>	<hr/>

20. 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

21. SHARE OPTION SCHEMES

On 26 May 2022, the shareholders of the Company at the annual general meeting approved a new share option scheme (the “**2022 Scheme**”) which is adopted on 30 May 2022 and the share option scheme adopted on 30 April 2012 (the “**2012 Scheme**”) expired on 30 April 2022 to the effect that no further share options of the Company (the “**Share Options**”) shall be offered under the 2012 Scheme but the Share Options which had been granted during the life of the 2012 Scheme shall continue to be valid and exercisable.

Under the 2022 Scheme, the Directors may, at their discretion, invite any eligible participants to take up Share Options to subscribe for ordinary share(s) of HK\$0.01 each in the share capital of the Company (the “**Share(s)**”). The exercise price for the Share Options shall be determined in accordance with the 2022 Scheme and the relevant provisions of the Listing Rules.

No Share Option was granted under the 2022 Scheme during the six months ended 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

21. SHARE OPTION SCHEMES (Continued)

The terms and conditions of the grants and movements in the number of Share Options under both the 2012 Scheme and 2022 Scheme during the Period were as follows:

For the six months ended 30 June 2024 (unaudited)

	Number of Share Options				At 30 June 2024	Exercise price HK\$	Exercise period
	At 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period			
Executive directors							
Dr. Zhang Lijun							
– on 19 March 2021	1,000,000	–	–	–	1,000,000	1.120	19/03/2021 to 18/03/2026
	1,000,000	–	–	–	1,000,000		
Mr. Peng Xitao							
– on 19 March 2021	2,000,000	–	–	–	2,000,000	1.120	19/03/2021 to 18/03/2026
– on 12 December 2023	2,000,000	–	–	–	2,000,000	0.180	12/12/2024 to 11/12/2025
	4,000,000	–	–	–	4,000,000		
Sub-total	5,000,000	–	–	–	5,000,000		

21. SHARE OPTION SCHEMES (Continued)

For the six months ended 30 June 2024 (unaudited) (Continued)

	Number of Share Options					At 30 June 2024	Exercise price HK\$	Exercise period
	At 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period				
Independent non-executive directors								
Mr. Zhou Jingping — on 5 October 2020	3,000,000	—	—	—	3,000,000	0.385	05/10/2020 to 04/10/2025	
	3,000,000	—	—	—	3,000,000			
Sub-total	3,000,000	—	—	—	3,000,000			

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

21. SHARE OPTION SCHEMES (Continued)

For the six months ended 30 June 2024 (unaudited) (Continued)

	Number of Share Options				At 30 June 2024	Exercise price HK\$	Exercise period
	At 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period			
Employees							
– on 5 October 2020	28,000,000	–	–	–	28,000,000	0.385	05/10/2020 to 04/10/2025
– on 19 March 2021	4,000,000	–	–	–	4,000,000	1.120	19/03/2021 to 18/03/2026
– on 5 July 2022	16,000,000	–	–	–	16,000,000	0.570	05/07/2022 to 04/07/2027
– on 12 December 2023	28,000,000	–	–	–	28,000,000	0.180	12/12/2024 to 11/12/2025
Sub-total	76,000,000	–	–	–	76,000,000		
Service providers (note (i))							
– on 19 March 2021	1,000,000	–	–	–	1,000,000	1.120	19/03/2021 to 18/03/2026
Sub-total	1,000,000	–	–	–	1,000,000		
Former directors							
– on 5 October 2020	14,000,000	–	–	–	14,000,000	0.385	05/10/2020 to 04/10/2025
– on 19 March 2021	2,000,000	–	–	–	2,000,000	1.120	19/03/2021 to 18/03/2026
Sub-total	16,000,000	–	–	–	16,000,000		
Total	101,000,000	–	–	–	101,000,000		

21. SHARE OPTION SCHEMES (Continued)

For the six months ended 30 June 2024 (unaudited) (Continued)

Notes:

- (i) The “service providers” category consists of consultants who were appointed by the Company to provide strategy development advice for the development of the Group and to introduce potential business partners to the Group.

Details and movements of the Share Options are as follows:

	Weighted average exercise price	Number '000
At 1 January 2023 (audited)	HK\$0.495	93,500
Granted during the year	HK\$0.180	30,000
Lapsed during the year	HK\$0.385	(22,500)
<hr/>		
At 31 December 2023 (audited) and 30 June 2024 (unaudited)	HK\$0.426	101,000

The weighted average exercise price of Share Options outstanding as at 30 June 2024 is HK\$0.426 (31 December 2023: HK\$0.426) and their weighted average remaining contractual life was 1.64 years (31 December 2023: 2.14 years).

As at 30 June 2024, 71,000,000 (31 December 2023: 71,000,000) share options were exercisable.

The 30,000,000 share options granted on 12 December 2023 are vested on the first anniversary of the date of grant and may be exercisable during the period from 12 December 2024 to 11 December 2025.

Except for the 30,000,000 Share Option granted on 12 December 2023, all other outstanding options at the end of the Period were vested immediately at their respective date of grant and exercisable at the end of the Period. No share options were exercised during the six months ended 30 June 2024 and 2023.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

22. 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	8,890	9,709

- (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.

23. 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 (Note (a))	7,521	5,515
— Unsecured (Note (b))	3,223	14,338
	10,744	19,853

- (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 22(c) and 22(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 22(d), and bore interest of 2.25% per annum. The loan was repayable within one year on 7 November 2024.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

23. BANK BORROWINGS (Continued)

- (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.

24. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

	Bank borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 January 2024 (audited)	19,853	5,633	25,486
<i>Changes from financing cash flows</i>			
Proceeds from bank borrowings	5,422	—	5,422
Repayment of bank borrowings	(14,098)	—	(14,098)
Payment of lease liabilities	—	(1,650)	(1,650)
Interest paid	(185)	—	(185)
Total changes from financing cash flows	(8,861)	(1,650)	(10,511)
<i>Other changes</i>			
Interest expense	185	113	298
Modification of lease	—	1,829	1,829
Exchange differences	(433)	(121)	(554)
Total liability-related other changes	(248)	1,821	1,573
As at 30 June 2024 (unaudited)	10,744	5,804	16,548

**Notes to the Interim Condensed
Consolidated Financial Statements (Continued)**

24. NOTES SUPPORTING STATEMENT OF CASH FLOWS (Continued)

Reconciliation of liabilities arising from financing activities (Continued)

	Bank borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
As at 1 January 2023 (audited)	33,959	8,593	42,552
<i>Changes from financing cash flows</i>			
Proceeds from bank borrowings	42,763	—	42,763
Repayment of bank borrowings	(28,134)	—	(28,134)
Payment of lease liabilities	—	(1,645)	(1,645)
Interest paid	(597)	—	(597)
Total changes from financing cash flows	14,032	(1,645)	12,387
<i>Other changes</i>			
Interest expense	597	166	763
Exchange differences	(2,147)	(266)	(2,413)
Total liability-related other changes	(1,550)	(100)	(1,650)
As at 30 June 2023 (unaudited)	46,441	6,848	53,289

25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 30 June 2024 and 31 December 2023 may be categorised as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Financial assets		
Financial assets at amortised cost	176,788	192,080
Financial assets at fair value through profit or loss	1,317	1,262
Financial assets at fair value through other comprehensive income	249,096	274,261
	427,201	467,603
Financial liabilities		
Financial liabilities measured at amortised cost	138,390	137,556
Lease liabilities	5,804	5,633
	144,194	143,189

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy: (Continued)

	As at 30 June 2024 (unaudited)			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss	1,317	—	—	1,317
Financial assets at fair value through other comprehensive income	—	—	249,096	249,096
	1,317	—	249,096	250,413

	As at 31 December 2023 (audited)			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss	1,262	—	—	1,262
Financial assets at fair value through other comprehensive income	—	—	274,261	274,261
	1,262	—	274,261	275,523

For the financial assets at fair value through other comprehensive income, it mainly consisted of unlisted investment funds as detailed in Note 16.

**25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY
CATEGORY (Continued)**

Significant unobservable inputs

CPC Fund

The fair value of the CPC Fund as at 30 June 2024 and 31 December 2023 are arrived at based on a valuation carried out by Graval Consulting Limited (“Graval”), an independent firm of professionally qualified valuer. The fair value was determined based on adjusted net asset method, where fair value estimated with references to the fair value of the underlying investments of the CPC Fund, which are appraised by market approach referencing to comparable companies’ benchmark multiples.

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Market multiples of comparable companies adopted		
— Price-to-book ratio (“P/B Ratio”)	2.05	2.42
— Price-to-sales ratio (“P/S Ratio”)	1.64-4.90	2.48-6.46
— Market rate of return	-0.89-1.01	-0.90-1.16
Discount for lack of marketability	15.70%	15.70%

**25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY
CATEGORY (Continued)**

Significant unobservable inputs (Continued)

CPC Fund (Continued)

Had the P/B Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$89,000 (31 December 2023: increase by HK\$105,000). Had the P/B Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$89,000 (31 December 2023: decrease by HK\$105,000).

Had the P/S Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$290,000 (31 December 2023: increase by HK\$397,000). Had the P/S Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$290,000 (31 December 2023: decrease by HK\$397,000).

Had the market rate of return of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$293,000 (31 December 2023: increase by HK\$410,000). Had the market rate of return of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$293,000 (31 December 2023: decrease by HK\$410,000).

**25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY
CATEGORY (Continued)**

Significant unobservable inputs (Continued)

New Rock Capital Fund

The fair value of the New Rock Capital Fund as at 30 June 2024 and 31 December 2023 are arrived at based on a valuation carried out by Graval, an independent firm of professionally qualified valuer. The fair value was determined based on adjusted net asset method, where fair value estimated with references to the fair value of the underlying investments of the New Rock Capital Fund, which are appraised by market approach referencing to comparable companies' benchmark multiples.

	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Market multiples of comparable companies adopted		
— P/S Ratio	1.14-4.93	1.30
— P/B Ratio	1.73	2.22-3.25
Discount for lack of marketability	15.70%	15.70%

Had the P/S Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$732,000 (31 December 2023: increase by HK\$5,000). Had the P/S Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$732,000 (31 December 2023: decrease by HK\$5,000).

Had the P/B Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$76,000 (31 December 2023: increase by HK\$280,000). Had the P/B Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$76,000 (31 December 2023: decrease by HK\$280,000).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

25. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

Significant unobservable inputs (Continued)

The following table shows the reconciliation of Level 3 fair value measurement of the unlisted investment funds:

	HK\$'000
As at 1 January 2023 (audited)	267,729
Change in fair value (included in other comprehensive income)	6,532
As at 31 December 2023 and 1 January 2024 (audited)	274,261
Change in fair value (included in other comprehensive income)	(25,165)
As at 30 June 2024 (unaudited)	249,096

The Directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the financial statements approximate their fair values.

There were no transfers between levels during the six months ended 30 June 2024 and 2023.

26. PLEDGE OF ASSET

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

27. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were reviewed by the audit committee of the Company and approved and authorised for issue by the Board on 29 August 2024.

Definitions and Glossary of Technical Terms

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

“2012 Scheme”	the share option scheme of the Company adopted on 30 April 2012 and expired on 30 April 2022;
“2022 AGM”	the annual general meeting of the Company held on 26 May 2022;
“2022 Scheme”	the existing share option scheme of the Company adopted on 30 May 2022;
“AI”	artificial intelligence;
“AIGC”	artificial intelligence generated content;
“AI Agent”	artificial intelligence agent;
“associate(s)”	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 the 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);

Definitions and Glossary of Technical Terms (Continued)

“Director(s)”	the director(s) of the Company;
“Easy Prime”	Easy Prime Developments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company;
“Easy Prime Board”	the board of directors of Easy Prime;
“Easy Prime Share Option Scheme”	the share option scheme of Easy Prime approved by Shareholders at the annual general meeting of the Company held on 21 May 2020;
“Easy Prime Share(s)”	share(s) of US\$1.00 each in the capital of Easy Prime, or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of Easy Prime from time to time;
“Group”, “Crazy Sports”, “Crazy Sports Group”, “we” or “our”	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;

Definitions and Glossary of Technical Terms (Continued)

“PRC” or “China”	the People’s Republic of China;
“R&D”	research and development;
“Renewal Limit”	the limit that the Shareholders in general meeting has approved the renew of the Scheme Mandate Limit such that the total number of Easy Prime Shares (as the case may be) in respect of which options may be granted by the Easy Prime Board (as the case may be) under the Easy Prime Share Option Scheme (as the case may be) and any other share option schemes of Easy Prime (as the case may be) in issue shall not exceed 10% of the total number of Easy Prime Shares (as the case may be) in issue as at the date of approval to renew such limit;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Option(s)”	share option(s) granted under 2012 Scheme or 2022 Scheme (as the case may be);
“Shareholder(s)”	holder(s) of Share(s);
“Scheme Mandate Limit”	10% of the total number of Easy Prime Shares in issue;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

Definitions and Glossary of Technical Terms (Continued)

“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.