



CRAZY SPORTS GROUP LIMITED

(incorporated in Bermuda with limited liability)

STOCK CODE: 82

ANNUAL REPORT 2025



Enterprise Philosophy

Integrity Loyalty
Diligence Commitment

Our Mission

***To Become a Leading Digital Sports
Entertainment Group in China***

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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 (vacated from office
on 29 December 2025)
Ms. Liu Haoming
Ms. Zhang Xiaofen (appointed on 20 August 2025)

AUDIT COMMITTEE

Ms. Liu Haoming (*Chairlady*)
Mr. Zang Dongli
Mr. Zhou Jingping (ceased to be member
on 29 December 2025)
Ms. Zhang Xiaofen (appointed on 20 August 2025)

NOMINATION COMMITTEE

Dr. Zhang Lijun (*Chairman*)
Mr. Zang Dongli
Mr. Zhou Jingping (ceased to be member
on 29 December 2025)
Ms. Liu Haoming
Ms. Zhang Xiaofen (appointed on 20 August 2025)

REMUNERATION COMMITTEE

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

ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Peng Xitao (*Chairman*)
Mr. Zang Dongli
Mr. Zhou Jingping (ceased to be member
on 29 December 2025)
Ms. Liu Haoming
Ms. Zhang Xiaofen (appointed on 20 August 2025)

EXECUTIVE COMMITTEE

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

AUTHORISED REPRESENTATIVES

Dr. Zhang Lijun
Mr. Chan Lap Chun Jason

JOINT COMPANY SECRETARIES

Mr. Chan Lap Chun Jason
Mr. Huang Ming Fung (appointed on 1 July 2025)

AUDITOR

BDO Limited
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

Bank of China
The Hongkong and Shanghai
Banking Corporation Limited

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Services (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services 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 PLACES 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

Chairman's Statement

The Steam Engine Defined the Past Century, AI will Define the Next Century

Dear Shareholders, Investors and Partners,

On behalf of the Board of Crazy Sports, I hereby present the Company's Annual Report to you. Over the past year, the global sports industry has entered into the deep-water zone of digital transformation. Anchored in the opportunities presented by the opening of China's "15th Five-Year Plan", the Group has firmly committed to its core strategy of "Digital Technology Driving Sports Industry Upgrade" and has stayed focused on the "Digital + Sports + Entertainment" track. Despite challenges arising from a non-major-event industry cycle and profound transformation in consumption patterns, we successfully achieved key breakthroughs in our strategic layout through proactive business optimisation and deep cultivation of high-potential segments. Notably, our self-developed sports vertical intelligent model AI analysis platform "Foretell" has officially launched in January 2026. Built on a 70-billion-parameter large language model, a 25-year global sports event database, and multi-agent collaborative technology, "Foretell" has become China's first sports vertical intelligent model to receive national-level algorithm filing. It has already been successfully deployed in event analysis, content creation, compliant interactive entertainment and other scenarios. This platform now serves as the Group's core technological engine for empowering the sports industry and has laid a solid foundation for long-term value growth.

Looking ahead, I believe the digital development of the sports industry will exhibit four core trends, which will also serve as the Group's strategic anchor points: Firstly, multi-agent systems will become the core carrier of sports service ecosystems. 2026 will mark the pivotal first year of "Multi-agent Deployment" in the sports sector. From collaborative training in competitive sports to personalised services in mass fitness, and from intelligent scheduling in event operations to efficient venue management, multi-agent technology will enable sports services leap from "Passive Response" to "Active Adaptation", becoming a powerful new engine for activating sports consumption. Secondly, AI-native sports hardware will enter an explosive growth window. Intelligent terminals reconstructed with an "AI-First" mindset will break the traditional "Hardware + APP" model, achieving deep integration of motion perception, natural interaction and full-scenario adaptation, thereby becoming the core gateway connecting users to the digital sports ecosystem. Thirdly, the value of sports data elements will be released at an exponential rate. Under a compliant framework, the development and utilisation of sports data will give rise to new data-driven

services and consumption models, forming a complete industrial closed loop spanning data collection, analysis and application. Fourthly, Open-source ecosystems will become the core driving force for “AI + Sports” innovation. Only by pooling innovation resources from across society and lowering the threshold for technology application, only in this can achieve deep alignment between sports scenarios and AI technology, creating a virtuous industry cycle of “Technology R&D – Scenario Application – Feedback Optimisation”.

Leveraging Hong Kong's advantages as an international financial centre and digital industry hub, the Group will deeply grasp the era's trend toward digitalisation and intelligentisation of the sports industry, using AI technology as the core lever to empower the entire value chain. We firmly believe that the future of the sports industry lies in the profound integration of “Technology + Sports”. Hong Kong serves not only as the Group's vital platform for connecting global capital, technology and markets, but also as the key window through which China's digital sports standards will reach the world. In the coming period, the Group will focus on advancing strategic initiatives based on the development of artificial intelligence technologies: accelerate the commercial application of the “Foretell” vertical intelligent model, deepen the application of AI technologies across event operations, sports information services, compliant interactive entertainment and other scenarios, while cultivating data-driven new consumption and new services; strengthen the synergistic development of “Events + IP + Technology” to expand and enhance our independent event operation capabilities; develop sports data elements in full compliance and build a full-chain digital sports ecosystem.

The sports industry, as a green and sunrise industry, the sports sector's digital upgrade has become an important direction for China's high-quality development, enjoying triple dividends from policy support, technological innovation and consumption upgrading. As a core participant in the digital sports track on the Hong Kong stock market, the Group possesses deep sports data accumulation, mature R&D capabilities and a global business footprint. Supported by Hong Kong's international platform, we enjoy unique advantages in connecting global resources and seizing industry opportunities.

Dear Shareholders, investors and partners, the development of Crazy Sports has always depended on your trust and support. Facing the golden development period of the digital sports industry, the Group will take technology as its sail and compliance as its rudder. We will continue to deepen our core track, expand into global markets, and strive to build a leading internationalised digital sports industry benchmark enterprise, enabling every stakeholder to share the development of the Company. We firmly believe that the Group's long-term value appreciation is promising. Looking ahead, we will strive to achieve even more outstanding results to repay the valuable support and trust of our shareholders and all stakeholders.

Zhang Lijun

Chairman of the Board

Management Discussion and Analysis

2025 ANNUAL RESULTS HIGHLIGHTS REVIEW

In 2025, as the global sports event cycle entered a relatively quiet phase, and against the backdrop of China's profound transformation in personal consumption patterns coupled with dual challenges in the operating environment, the Group continued to demonstrate strong strategic resilience and innovative vitality. Despite a decline in overall revenue, we remained firmly focused on the core track of "Digital + Sports + Entertainment", upheld a long-termism philosophy, and proactively optimised our operations and asset structure while strengthening core capability building. We also made in-depth strategic deployments in two key directions, being AI-powered sports event prediction and the overseas expansion of gaming IPs, and achieved solid progress in sustainable development. As of the end of December 2025, the total number of registered users on the Group's platform (including overseas gaming users) increased by 22.5% to approximately 131.1 million as compared to the end of 2024. The Group's platform recorded a 10.5% year-on-year growth in average monthly active users in 2025 as compared to 2024, thereby accumulating critical momentum for the next major event cycle.

In 2025, facing the objective backdrop of a non-major-sports-year, coupled with the shift in Chinese residents' consumption pattern toward digitalised experience. Against this backdrop, the Group persistently concentrated resources on the in-depth R&D and commercial application of artificial intelligence technology. The Group's self-developed, vertically focused AI analysis platform "Foretell" completed its iteration and upgraded from testing to full commercialisation, and successfully passed the deep synthesis service algorithm filing review by the Cyberspace Administration of China, becoming one of the first intelligent tools in the domestic sports event analysis field to obtain national-level filing and achieve deep integration with real-world operations. The platform aligns with the trend of "AI + Digital" consumption, more precisely meeting users' demand for professional event analysis, prediction, and paid sports information, effectively consolidating the core user base and laying a solid technical and user foundation for capturing the 2026 World Cup and the super scenario of "AI + Sports".

2025 marked a year of leapfrog development for the Group's gaming business. The Group's strategically focused esports football mobile game demonstrated strong global competitiveness. As of the end of December 2025, overseas game downloads exceeded 10 million. The Group systematically established a global publishing network covering more than ten regions, with successful launches and multiple top rankings on download charts in Southeast Asia, Latin America, Africa, Japan, Korea, and other markets. It was honored with the "Golden Tea Award • 2025 Outstanding Globalised Game Enterprise Award".

Additionally, the Group successfully hosted and operated the 2025 Hongyu Ceramics • WBC Professional Boxing Championship. Leveraging innovative highlights such as “Internet Celebrity Crossover Boxing Matches” and the “World’s First Public-facing Human vs. Humanoid Robot Boxing Showdown”, the event achieved over 600 million total views across the internet, once again breaking the traffic record for Chinese professional boxing events and becoming a phenomenal sports event of the year. The event highlighted the Group’s excellence in large-scale sports entertainment IP planning and fully validated the powerful pulling effect of sports events as a core carrier of “Experiential Consumption”. A top-tier event can drive growth across the entire cultural tourism, catering, and retail chains, aligning highly with national policies to unleash sports consumption potential. The Group’s outstanding capabilities in resource integration and cross-boundary breakout in the sports events segment significantly enhanced the brand awareness and industry influence of Crazy Sports.

In 2025, the Group’s revenue decreased by 23.2% year-on-year to HK\$316.0 million. The Group recorded a loss of HK\$4.8 million for the year. The loss was primarily attributable to the write-off of certain unamortised legacy IP licensing rights and assets related to the digital collectibles platform, as well as an impairment provision for goodwill on the relevant cash-generating units due to downward revisions in revenue forecasts for core products amid lower-than-expected income. This loss was partially offset by the reversal of prior years’ income tax provisions. Facing the profound transformation in consumption patterns toward digital experiences, the Group was not constrained by short-term revenue pressure. Instead, we proactively optimised our operations and asset structure, enhanced cost efficiency in sales and corporate functions, and remained firmly focused on the core strategy of “AI + Sports”. We concentrated resources on high-stickiness and high-growth tracks, demonstrating the Group’s resilience and forward-looking vision of “Seeking Opportunities Amid Challenges and Driving Upgrades through Transformation”. Looking ahead, with expectations of rising resident consumption rates, a further increase in the proportion of service consumption, deeper integration of AI and sports, and the steady expansion of the sports industry, the Group is now in a highly advantageous strategic position and has laid a solid foundation for high-quality and sustainable growth in the future.

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 artificial intelligence technologies to empower the traditional sports industry. With “AI + Sports” as the core, we continue to deepen the digital upgrade of digital sports entertainment. With the core business of “Crazy Red Insights + Sports Lottery New Retail”, and supplemented by the “Events + Quizzes, IP + Games” businesses to drive the digital sports entertainment strategy forward in all aspects.

Management Discussion and Analysis

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

Core Business Review and Development

Paid Sports Information Platform

In 2025, facing industry cyclical downturns and external environmental changes, along with the profound transformation of China's individual consumption patterns and the challenge from rise of AI-related sports technology, the revenue efficiency of the Group's core product Crazy Red Insights was lower than in previous years and did not fully meet the expected returns. Total revenue from Crazy Sports' paid sports information platform amounted to HK\$198.5 million, a 23.3% decrease compared to the corresponding year in 2024. Crazy Sports' paid sports information business firmly advanced the "AI + Sports" strategy, prioritising resources for core technological breakthroughs and product ecosystem optimisation. Through the successful commercialisation and authoritative certification of self-developed vertical AI analytics platform, the Group not only secured a leading position in the industry's intelligent transformation but also laid a solid foundation for in-depth exploration of core user value and future growth.

1. *Revolutionary AI Platform "Foretell" Opens a New Era of Artificial Intelligence – Powered Sports Decision-Making*

The Group completed the core technology R&D of "Foretell" – an AI analysis platform in the "Sports + Lottery" vertical domain in 2025, and launched a test version to conduct internal validation and scenario trial operations. The platform builds a professional system that integrates a vertical-domain large language model, a dynamic knowledge enhancement system, a real-time data middle platform, and a multi-agent collaboration system. These four core technological pillars are deeply integrated: the vertical-domain large language model enables deep understanding of specialised terminology and complex logic; the dynamic knowledge update system, built on the RAG architecture, achieves millisecond-level information updates, effectively mitigating hallucination issues; the real-time data service ensures low-latency, high-quality data supply; the multi-agent collaboration system simulates the workflow of a professional analysis team, delivering personalised and traceable decision support.

In January 2026, "Foretell" officially passed the deep synthesis service algorithm filing with the Cyberspace Administration of China, becoming the first AI system in the domestic sports domain to obtain this national-level filing. Leveraging this milestone, the platform was formally launched to the market. Obtaining this filing signifies authoritative recognition of the Group's technological R&D capabilities, professional expertise, and application compliance, laying a solid regulatory foundation for the large-scale application of "Foretell".

2. *Product and Service System Collaborative Upgrade, to Enhance User Experience and Stickiness*

Focusing on the core capabilities of the AI system, the Group conducted a collaborative upgrade of its product matrix: On one hand, it launched a lottery player assistance tool built on this AI system. Leveraging in-depth analysis and comprehensive calculations across multiple dimensions – including odds trends, historical patterns, and team strength – it provides users with more objective outcome predictions and event combination strategies. Since launch, it has received positive feedback from the market and users. On the other hand, it improved the AI-assisted writing tool for platform creators and established an AI real-time briefing and intelligence collection push mechanism, empowering the content ecosystem. By constructing a collaborative system from the global event data foundation “Livescore365” to premium paid services “智策 Pro” and then to the AI dialogue assistant “Foretell”, the Group achieved full-scenario coverage for users – from data querying to decision support.
3. *Innovative Launch of Three Major Product Features to Activate the Ecosystem and Enhance Service Precision*

Focusing on user needs and differentiated market competition, the Group innovatively introduced three major features: “Shen Dan”, “Pre-match Analysis” and “The Precision Plan”, reshaping the closed loop of content production, consumption, and assurance. “Shen Dan” product builds a UGC ecosystem, allowing users to generate and share event analysis plans, with monetisation realised through subscriptions, tips, revenue sharing, and other mechanisms, forming a “Creation – Distribution – Monetisation” closed loop. “Pre-match Analysis” product, based on real-time data dynamics, provides creators with dynamic intelligence and strategy optimisation support during the live match phase, improving the timeliness and accuracy of recommended plans. “The Precision Plan” product introduces a “Professional Planning + Risk Backstop” mechanism, where creators formulate standardised profit plans, significantly lowering decision barriers for users and helping to improve retention and long-term payments.
4. *Deepening Ecosystem Cooperation and Globalisation Exploration to Build Business Resilience*

The Group achieved exclusive or in-depth cooperation with core traffic platforms such as 360 Search and Baidu mobile, solidifying user entry points. Meanwhile, overseas, data services centered on “Livescore365” have covered multiple regions in Southeast Asia, marking substantive progress in globalisation layout. By co-building content ecosystems with upstream and downstream partners and exploring new business models, the Group effectively enhanced business stability.

Management Discussion and Analysis

Sports Lottery Retail Services

In 2025, the Group conducted a comprehensive strategic review and structural optimisation of its sports lottery new retail business. The total revenue from the sports lottery new retail business in 2025 decreased by 18.4% year-on-year. By eliminating low-efficiency regions, focusing on key markets, strengthening refined operations and cost control, the Group simultaneously achieving systematic enhancement of operational quality.

1. *Optimising Layout and Enhancing Operational Efficiency*

The Group focused on key regions such as Guangdong, Jiangsu, and Zhejiang to consolidate market advantages and expand high-quality outlets. Through tiered and categorised store management, it continuously optimised outlet structure, eliminated inefficient stores, and improved overall average store sales. At the same time, relying on refined budget control and dynamic resource allocation, it significantly reduced operating costs while stabilising sales, driving continuous improvement in the profit structure.

2. *Expanding Tenders and Exploring Innovative Scenarios*

While steadily advancing awarded projects and improving execution returns, it actively expanded new tender businesses. Innovatively integrating lottery and esports elements, leveraging “Football Eleven: Be a Pro” esports events to assist provincial and municipal sports lottery centers in creating “Competitive Scenarios + Charity Experiences” activities, attracting young groups to participate, promoting the charity attributes of sports lottery, and exploring new models for brand promotion and user interaction.

Sports and Leisure Gaming Business

In 2025, total revenue from sports and leisure games was HK\$103.2 million, a decrease of 22.0% as compared to 2024, mainly due to the Group's strategic adjustment of its business model to expand overseas markets, resulting in further reduction in co-publishing games revenue in domestic market. At the same time, fluctuations in domestic sports game product lifecycles combined with cautious user consumption led to overall publishing game revenue decreasing compared with 2024. Facing market challenges, the Group adopted the core strategy of "Deepening Professional Tracks, Relying on FIFPro Global IP Licensing and Highly Competitive Sports Game Products, Actively Exploring Global Markets, and Building Ecosystem Value" to expand the market and establish a second growth curve. The gaming business focused on the following key areas for development:

1. *Outstanding Long-Term Operational Capabilities of Core Products, Continuously Consolidating the Domestic Base*

As the Group's key football card competitive mobile game, "Ace Soccer" maintained high user stickiness through its "Dynamic Season" system, content updates deeply synchronised with real football leagues, and AI-driven personalised operations, continuously contributing stable revenue. Long-term products "Ace Soccer" and "Soccer Manager" achieved ongoing user sedimentation through anniversary versions, holiday events, and other continuous updates, with operational focus forward-looking on the 2026 World Cup. Preparations for related large-scale linkage versions and themed activities have been initiated to convert global fan enthusiasm into product activity and revenue growth.

2. *Efficient Establishment of Global Publishing Network, Explosive Growth in Emerging Markets*

The Group systematically built a publishing network covering more than ten key markets, including Vietnam, Indonesia, Malaysia, Thailand, Latin America (Brazil, Argentina, etc.), Africa, Hong Kong, Macau, Taiwan, Japan and Korea, achieving exclusive agency cooperation with top or first-tier local publishers in each market. In terms of market performance, success in the Vietnamese market provided a replicable model for global operations. One year after launch, through continuous season content and localised operations, it achieved a historical monthly revenue peak in September 2025, demonstrating phenomenal acceptance in emerging markets. Daily active players in Latin America have rapidly surpassed 300,000, while Indonesia and Malaysia have accumulated more than 200,000 daily active players. The product topped local app store free sports game charts immediately upon launch in Brazil, Argentina, Japan, Hong Kong, and other places, validating outstanding product strength and cross-cultural appeal.

Management Discussion and Analysis

3. *Successful Esports Event Pilot, Taking a Key Step in Ecosystem Development*

The Group successfully planned and hosted the first regional offline esports event for “Football Eleven: Be a Pro” – “Football Dream: Be a Pro” in Indonesia and Malaysia markets. The event attracted a large number of local players for registration and on-site viewing, with online live viewership exceeding expectations and sparking widespread discussion in local gaming and sports communities. This pilot successfully validated the user foundation and commercial feasibility of transforming the product into an esports platform, accumulating valuable experience in event operations and content production for launching a systematic global esports strategy in 2026.

4. *Industry Honors Boosting the Brand, Globalisation Benchmark Status Recognised*

Relying on outstanding performance in globalisation expansion and product innovation, the Group was honored with the “Golden Tea Award • 2025 Outstanding Globalised Game Enterprise Award,” highlighting its industry benchmark role. The core product “Football Eleven: Be a Pro” also won the “Golden Plaque Award • 2025 Most Anticipated New Game of the Year.” These authoritative awards greatly enhanced the Group’s brand image and professional credibility.

5. *Continuously Optimising Co-Publishing Business, Actively Adapting to Publishing Market Changes*

During the year, the Group scaled back its co-publishing product line, focusing on niche categories and projects with higher profit margins. During the optimisation of the co-publishing business model, the Group reduced the number of low-return games released, resulting in decreased revenue. Through agency cooperation, the Group has reserved multiple products including lightweight H5 football games, racing games, and simulation game (SLG) fused with Eastern mythology themes. At the same time, it reached deep strategic cooperation with the national-level cultural IP “The Imperial Cat Family” to jointly develop customised game content and online and offline activities, exploring innovative fusion modes of “Sports Games + National Trend Culture” to attract a broader cultural consumption audience.

Sports Events Operation Business

In 2025, through the successful hosting and operation of the “Hongyu Ceramics • WBC Professional Boxing Championship”, the Group achieved another breakthrough in the sports events field, centrally embodying the deep integration of “Digital + Sports + Entertainment”. This edition created a phenomenal record of over 600 million total views across the internet. While achieving full breakout from sports circles to mainstream society, it organically combined competitive sports, mass entertainment, and cutting-edge technology through innovative setups such as “Dual Headline Main Bout”, female internet celebrity crossover boxing, and the world’s first “Human vs. Humanoid Robot Boxing Showdown”, redefining the presentation of large-scale events.

The event further deepened the “Digital + Sports + Entertainment” core, not only creating a “Super Bowl” style entertainment experience by introducing celebrity and robot elements, but also deeply integrating Foshan’s “Martial Arts City” cultural genes to innovatively build the “Water-Land Dual Heroes” city brand, achieving multi-dimensional empowerment of culture, consumption, and national fitness. This success fully proved the Group’s industry-leading systematic capabilities in sports IP planning, sponsorship attraction, execution, and dissemination. It not only brought huge brand exposure and reputation enhancement to the Group but also strengthened deep connections with local governments, international sports organisations, sponsors, and vast users, laying a solid foundation for replicating and expanding more diversified sports entertainment IPs in the future.

The successful hosting of the Crazy Sports series IP sports events led trends in China’s sports industry – especially sports event-related industries – significantly elevating the event brand influence of Crazy Sports Group. In the future, the Group will continue to deepen cooperation and exchanges with excellent international and domestic sports IP organisations, comprehensively enhancing its influence and competitiveness in the global sports industry market, and assisting the Group’s digital sports entertainment business in achieving long-term sustainable development.

Business Outlook

Looking ahead to 2026, the hosting of the 2026 World Cup will ignite a global sports boom. After strategic accumulation in 2025, Crazy Sports Group has completed key layouts in technology, products, markets, and ecosystem dimensions, standing at an unprecedented opportunity starting point.

1. Fully Embracing “AI + Sports Technology” to Drive Intelligent Upgrades and Commercial Breakthroughs Across Businesses

The Group will take the nationally filed AI event prediction system “Foretell” as the core, deepening commercial applications of AI technology throughout the World Cup cycle. In the paid sports information field, it will enhance vertical intelligent model reasoning capabilities in event analysis, improve prediction accuracy, and explore user behavior for personalised services; in the sports games field, it will explore AI applications in content creation, gameplay optimisation, and operational efficiency, fully elevating product experience and operations, converting technological leadership into significant revenue growth points.

2. Deepening Value of Global Publishing Network to Achieve Full Regional Market Coverage and In-Depth Operations

The Group will fully promote in-depth operations and revenue growth for “Football Eleven: Be a Pro” in launched markets, accelerate completion of launches in core markets such as Europe, America and the Middle East, achieving final closure of the global game publishing network. At the same time, seizing the 2026 World Cup cycle, it will organise global linked game content and themed activities, fully converting pipeline network advantages into market advantages and revenue performance.

3. Launching the “Genesis Year of the Esports Ecosystem” to Build a Globalised Event Matrix

The Group will officially designate 2026 as the “Genesis Year of the Esports Ecosystem”, investing strategic resources with “Football Eleven: Be a Pro” as the core platform to fully build a professionalised, internationalised esports event system: hosting the “Asian Football Esports Championship” covering multiple countries and regions, and preparing the “World Football Esports Championship” designed based on real 2026 World Cup mechanisms. Through a series of top-tier esports events to create new content consumption scenarios and commercial monetisation opportunities, and building a long-term esports ecosystem moat for global players.

4. Seizing the Historic 2026 World Cup Opportunities to Strengthen Business Synergies and Value Conversion

All business segments will closely collaborate to maximise 2026 World Cup dividends. The sports games business will leverage momentum for global user growth and commercial value; the paid sports information business will capture massive traffic for user scale explosion and diversified commercial breakthroughs; the sports lottery new retail business will innovate marketing to drive sales growth. The Group will ensure efficient conversion of event into comprehensive growth in market share, brand influence, and financial returns.

2025 was a year in which Crazy Sports Group demonstrated strategic resilience amid industry cycles, solidified foundations, and laid out the future. The adjustment in short-term financial indicators reflects the Company’s firm belief in long-termism and unwavering investment in enhancing core competitiveness. With the ringing of the 2026 World Cup’s bell, the Group’s long-accumulated growth engines have fully ignited.

FINANCIAL REVIEW

	For the year ended	
	31 December 2025	2024
	HK\$'000	HK\$'000
Revenue	315,950	411,392
Cost of revenue	(242,440)	(266,090)
<hr/>		
Gross profit	73,510	145,302
Other gains and losses	(3,955)	17,941
Selling and marketing expenses	(64,973)	(115,820)
Administrative expenses	(36,515)	(45,368)
Reversal of/(provision for) expected credit loss on trade and other receivables	812	(6,388)
Impairment of goodwill	(48,426)	–
Written off of intangible assets	(37,110)	–
Impairment of interest in an associate	–	(6,223)
Share of results of an associate	–	(3,147)
Finance costs	(548)	(573)
<hr/>		
Loss before income tax	(117,205)	(14,276)
Income tax credit/(expense)	112,426	(452)
<hr/>		
Loss for the year	(4,779)	(14,728)

Revenue

The Group's total revenue was contributed by the digital sports entertainment related business. During 2025, the Group's total revenue was approximately HK\$316.0 million, representing a decrease of 23.2% as compared to 2024. The Group generated revenue mainly from five areas: (i) paid sports information platform, (ii) sports and leisure games, (iii) lottery-related commission income, (iv) sports events operation, and (v) digital collectibles platform. The Group's revenue generated from different product lines is summarised as below:

	2025		2024	
	HK\$'000	%	HK\$'000	%
Paid sports information platform	198,486	62.8	258,764	62.9
Sports and leisure games	103,191	32.7	132,324	32.2
Lottery-related commission income	10,086	3.2	12,358	3.0
Sports events operation	4,094	1.3	7,506	1.8
Digital collectibles platform	93	0.0	440	0.1
	315,950	100.0	411,392	100.0

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

- (1) During 2025, revenue generated from paid sports information platform amounted to HK\$198.5 million, representing an decrease of HK\$60.3 million or 23.3% compared with 2024. In 2024, leveraging on the UEFA Euro 2024, Crazy Red Insights maintained its healthy growth trend despite of the increasingly fierce industry competition. However, the Group's paid sports information platform was facing the objective environment of a non-major-sports-year in 2025, with declining customer pay rate and increasing difficulties in quality customer acquisition. Additionally, AI as a transformative technology in the paid sports information industry, posed periodic challenges to the Group, leading to a decline in revenue and relative returns during 2025. In response, the Group continued to re-engineer the product and launched the beta version of its independently developed "Foretell", aiming at enhancing user experience and operational efficiency, eventually improves paid conversion rates.

- (2) During 2025, revenue from sports and leisure games were decreased by 22.0% or HK\$29.1 million compared with 2024. In the sports and leisure gaming business, the Group continued to focus on optimising its business model and expand overseas markets, resulting in further reduction in the revenue from domestic co-publishing games. At the same time, domestically, fluctuations in sports game product lifecycles combined with cautious user consumption led to overall publishing game revenue decreasing compared to 2024. Although revenue decreased, it is optimistic to the segment that the core product, “Football Eleven: Be a Pro” demonstrated strong global competitiveness. It recorded daily active players in Latin America rapidly surpassing 300,000, while Indonesia and Malaysia have accumulated more than 200,000 daily active players, with overseas game downloads exceeded 10 million in 2025. The Group will continue to enhance the overseas market penetration of its gaming products as planned, gradually reducing investment in other gaming businesses with lower return on investment.
- (3) In addition to the development of core products, the Group continues to leverage its resource advantages in “Digital + Sports + Entertainment” by successfully hosted and operated the 2025 Hongyu Ceramics • WBC Professional Boxing Championship. This event achieved a record-breaking total online viewership of over 600 million, breaking the traffic record for Chinese professional boxing events and becoming a phenomenal sports event of the year. The event also drove growth in cultural and tourism consumption in Foshan, enhancing the Group’s brand influence. The event recorded revenue amounted approximately HK\$4.1 million (2024: HK\$7.5 million).
- (4) During 2025, revenue generated from lottery-related commission income and digital collectibles platform are value-added business relating to digital sports entertainment with goals to attract more lottery-focused sports users.

Cost of revenue and gross profit

Our cost of revenue primarily consists of (i) commissions charged by distribution channels and payment channels, (ii) revenue share to IP holders, (iii) revenue share to key opinion leaders and sports event experts, and (iv) amortisation of intangible assets. Total cost of revenue of the Group decreased by 8.9% to approximately HK\$242.4 million during the year as compared to 2024. The declining trend was due to decrease in revenue generated from the digital sports entertainment related businesses. The Group reported a gross profit of approximately HK\$73.5 million during 2025, representing a decrease of 49.4% compared with 2024; meanwhile, the gross margin for 2025 decreased to 23.3% from 35.3% as compared to 2024. The main reason for the decrease in gross margin was the declining customer pay rate and increase in the amortisation of intangible assets included in cost of revenue. In 2025, the amortisation of intangible assets increased by approximately HK\$9.4 million to approximately HK\$44.1 million as compared to 2024, which was a result of increased investment in intangible assets. The Group has allocated resources to intensifying R&D efforts for breakthroughs in key AI technologies and accelerating its commercial application and sports games for overseas expansion, aiming at establish future revenue growth points and laying a solid foundation for sustained growth.

Other gains and losses

Other gains and losses for the year recorded a loss of HK\$4.0 million. It was mainly attributable to the fair value gain from financial assets at fair value through profit or loss amounted to HK\$1.6 million and exchange loss of HK\$5.6 million. Other gains and losses for 2024 was mainly attributable to the fair value gain from financial assets at fair value through profit or loss amounted to HK\$13.3 million and exchange gain of HK\$4.1 million.

Reversal of expected credit loss on trade and other receivables

The Group recorded a reversal of expected credit loss on trade and other receivables for the year of HK\$0.8 million (2024: provision for HK\$6.4 million) It was driven by an increase to provision for other receivables of HK\$0.2 million and a reversal of provision for trade receivables of HK\$1.0 million based on the expected credit loss model.

Selling and marketing expenses

Selling and marketing expenses for 2025 decreased by 43.9% to approximately HK\$65.0 million from approximately HK\$115.8 million in last year. In 2025, knowing that the global sports event cycle entered a relatively quiet phase, the Group avoided excessive efforts in promotion of paid sports information products since advertising efficiency is lower with more severe market competition, especially during non-major sports event year. Also, the Group continue to reduce advertisement efforts for games with low return rates in domestic market. With a more cost efficient marketing strategy, the percentage decrement in selling and marketing expenses outweighed the decrease in revenue.

Administrative expenses

Administrative expenses decreased by 19.5% to HK\$36.5 million in 2025 from HK\$45.4 million in 2024. The decrease in administrative expenses was a result of cost reallocation and restructuring measures exercised by the Group to improve cost efficiency of corporate expenses.

Impairment of goodwill

The digital sports entertainment business underperformed in terms of revenue in 2025, with revenue generated from paid sports information platform and sports and leisure games both decreased during 2025. It was driven by the objective environment of a non-major-sports-year, together with declining customer pay rate and increasing difficulties in quality customer acquisition. In view of the above, the projected revenue growth of the digital sports entertainment business has lowered. With reference to the valuation prepared by an independent firm of professionally qualified valuer, in respect of the cash-generating unit of the digital sports entertainment business as at 31 December 2025 in accordance with Hong Kong Accounting Standard 36 – Impairment of Assets, the Group recognised the relevant impairment of HK\$48.4 million (2024: HK\$Nil).

Written off of intangible assets

The Group recorded a written off of intangible assets for certain copyrights and patents related to sports and leisure games as these IPs were unable to commercialised and achieve the anticipated revenue within anticipated games launching cycle. With rapid change of customer preferences and shifting of corporate direction to focus more on AI and digital sports entertainment products, the company decided to write off the IPs and withdraw from the related development projects since it is evaluated that the future profitability of those games are low. Besides, due to decline in revenue from the digital collectable platform, the Group has terminated part of its businesses and written off the related intangible assets. For the above reasons, the Group recorded a write-off of intangible assets of approximately HK\$37.1 million for 2025 (2024: HK\$Nil).

Management Discussion and Analysis

Impairment of interest in an associate

In 2024, impairment loss of HK\$6.2 million was recognised in respect of the Group's interest in BOA, based on an independent valuation as at 31 December 2024. As at 31 December 2024, the carrying amount of our Group's interest in BOA was reduced to HK\$Nil.

Share of results of an associate

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. During 2024, share of loss of approximately HK\$3.1 million was recorded.

Income tax credit

The Group recorded an income tax credit of HK\$112.4 million in 2025 (2024: income tax expense of HK\$0.5 million). It mainly includes the reversal of provision for PRC income tax on capital gain from the disposal of a 42.94% equity interest in a subsidiary to an independent third party for a consideration of US\$297,964,000 (equivalent to approximately HK\$2,309,223,000) (the "Disposal") in August 2015. The provision of HK\$112,094,000 was estimated based on 10% of the capital gain from the Disposal. Details of the Disposal were set out in the Company's circular dated 30 June 2015.

From the date of Disposal to the date of this report, the PRC tax authority has not approached the Group in connection with the capital gain on the Disposal. The Company consider the tax authority's right on recovery of any tax within 10 years from the tax year in which a transaction arises has lapsed in accordance with the prevailing PRC tax laws. Therefore, the tax provision was reversed and credited to profit or loss during the year.

Net loss for the year

As a result of the foregoing, the Group recorded loss of HK\$4.8 million for 2025, which was decreased by HK\$9.9 million as compared to a loss of HK\$14.7 million in 2024. The loss was mainly attributable to written off of intangible assets and impairment of goodwill described above, while it was compensated by reversal of provision for income tax in previous year.

STRATEGIC INVESTMENTS

As at 31 December 2025, the investment portfolio of the Group amounted to approximately HK\$222.2 million (2024: HK\$245.1 million), which was recorded as financial assets at fair value through profit or loss or through other comprehensive income. These include approximately HK\$221.3 million in private equity fund investments and a total of approximately HK\$0.9 million arising from the Group's equity investments in certain Nasdaq-listed securities together with compensation from profit guarantees.

Apart from focusing on the organic growth of its principal businesses, the Group also made strategic investments in order to effectively allocate resources to maximise corporate value and realise the integration of resource advantages through strategic investments that are aligned with the Group's strategic business development and financial obligations as and when they fall due. The Group aims at generating reasonable risk adjusted returns on surplus funds that are in excess to operating requirement. We have developed focused investment strategies, aiming to invest, acquire or form alliances that will either complement our existing businesses or drive innovation initiatives. Through strategic investments, the Group communicated closely with the emerging AI, blockchain information technology, media, sports and entertainment industries to establish opportunities for further collaborations or achieve synergies.

Investment in private equity funds

As at 31 December 2025, the Group has investment in private equity funds amounted to HK\$221.3 million (2024: HK\$232.0 million), which accounted for 24.3% of the total assets. The balance comprised of two funds as below:

(a) China Prosperity Capital Mobile Internet Fund, L.P. ("CPC Fund")

In 2015, the Group entered into a limited partnership agreement to subscribe for the limited partnership interests in CPC Fund and invested US\$31,250,000 to the CPC Fund. As at 31 December 2025, the Group held 27.17% of limited partnership interests in CPC Fund. The CPC fund is an exempted limited partnership registered under the laws of the Cayman Islands, which is principally engaged to achieve long-term capital appreciation primarily through privately negotiated investments in securities and/or equity that operate in mobile internet and technology industries in the Greater China region, in particular the culture and entertainment industry, such as internet literature, dramas and movies, motion pictures, manga and animations, among others. Investing through CPC Fund created synergy merits to the Group as it allows the Group to have business relationship with industry participants. The fair value of the Group's investment in CPC Fund is HK\$161.1 million as at 31 December 2025 (2024: HK\$159.2 million), with a fair value gain of HK\$1.9 million recognised as other gains and losses. The fair value of CPC Fund accounted for 17.7% (2024: 16.5%) of the Group's total assets as at 31 December 2025. No dividend income was recognised from CPC Fund during the year (2024: HK\$11.1 million).

Management Discussion and Analysis

(b) New Rock Capital Fund

In 2020, the Group entered into a subscription agreement pursuant to which the Group agreed to subscribe for the limited partnership interests in the New Rock Capital Fund at an aggregate subscription amount of US\$11,080,000. Up to the end of the 2025, the Group has invested in aggregate HK\$129.0 million (31 December 2024: HK\$129.0 million) into New Rock Capital Fund and held 91.05% of limited partnership interests in New Rock Capital Fund. New Rock Capital Fund is an exempted limited partnership registered under the laws of the Cayman Islands, which is established to achieve long-term capital appreciation of the investments and telemedia assets held, by leveraging on the external network and the expertise of the general partner. Since its establishment, the New Rock Capital Fund has sustainably invested in AI, internet, media and technology businesses. Due to the market volatility of the investment in start-up businesses in China, resulting a realised loss from exit of an investment project, the fair value of the Group's investment in New Rock Capital Fund was HK\$60.2 million as at 31 December 2025 (2024: HK\$72.8 million), with a fair value loss of HK\$12.6 million recognised as other comprehensive income. The fair value of New Rock Capital Fund accounted for 6.6% (2024: 7.5%) of the Group's total assets as at 31 December 2025. No dividend income was received from New Rock Fund during the year (2024: HK\$Nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Net cash generated from operating activities	66,770	40,548
Net cash used in investing activities	(48,825)	(71,555)
Net cash generated from/(used in) financing activities	2,325	(6,473)
Net increase/(decrease) in cash and cash equivalents	20,270	(37,480)
Effect of changes in foreign exchange rate	(809)	1,249
Cash and cash equivalents at beginning of year	24,358	60,589
Cash and cash equivalents at end of year	43,819	24,358

Working capital

The Group had HK\$43.8 million cash and cash equivalents as at 31 December 2025, as compared to a balance of HK\$24.4 million as at 31 December 2024. The Group has sufficient cash resources to satisfy their future working capital and other financing cost.

Net cash generated from operating activities

The Group's net cash generated from operating activities amounted to approximately HK\$66.8 million during the year, compared to net cash generated from operating activities of HK\$40.5 million for 2024. The Group derived its cash inflow from operating activities primarily through the receipt of income from digital sports entertainment business. The Group's cash outflow from operating activities primarily comprised payments for costs related to games and applications, selling and marketing expenses and operating expenses such as staff costs. The increase in cash generated from operating activities in 2025 were primarily due to a decrease in other receivable and prepayments and increase in accounts payables.

Net cash used in investing activities

Net cash used in investing activities was HK\$48.8 million in 2025, as compared to net cash used in investing activities of HK\$71.6 million in 2024. The net cash used in investing activities in 2025 was mainly comprised of acquisition and development costs of intangible assets which amounted to HK\$59.5 million, compensated by net cash generated from dividend received from an investment fund amounted to HK\$11.1 million.

Net cash generated from financing activities

Net cash generated from financing activities was HK\$2.3 million in 2025 as compared to net cash used in financing activities of HK\$6.5 million in 2024. The net cash used was mainly comprised of the repayment of bank borrowings of HK\$16.9 million and increase in bank borrowings of HK\$22.3 million.

Capital Structure

As at 31 December 2025, the Group's total assets amounted to HK\$912.0 million (2024: HK\$967.7 million) which were substantially financed by shareholders' fund of HK\$705.4 million (2024: HK\$690.1 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 liquidity, counterparty, interest rate and foreign exchange risks to ensure that the Group has sufficient sources of funding for working capital and investments. As part of our cash management activities, we typically invest our surplus cash in low-risk and/or high investment grade instruments that generate reasonable returns.

Material acquisitions and disposals

There was no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2025.

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

As at 31 December 2025, a patent with carrying amount of HK\$Nil is pledged as corporate guarantee to secure certain bank loans. The Group did not have any pledged assets as at 31 December 2024.

Contingent liabilities

As at 31 December 2025 and 2024, we did not have any material contingent liabilities.

Gearing ratio

As at 31 December 2025, gearing ratio was approximately 3.2% (2024: 2.3%), which was calculated by dividing the total borrowings by the total equity attributable to owners of the Company.

Dividends

No dividends have been paid or declared by the Group during the years ended 31 December 2025 and 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Group's core business operates on platforms based on the internet infrastructure in the PRC, the Group's businesses and prospects are subject to regulatory risk which is the principal risk. The Group is subject to the applicable PRC laws and regulations which regulate, including but not limited to, the licensing and operations of mobile games and applications. The Group will endeavor to implement control features so as to comply with new laws and regulations promulgated. It is exemplified by our measures to mitigate such risk as discussed in "B.6 Product Responsibility" section of the ESG report of this Annual Report.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 108 employees.

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

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

Directors and Senior Management

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY AND SENIOR MANAGEMENT OF THE GROUP



Executive Directors

Dr. ZHANG Lijun (張力軍博士), aged 62, joined the Group in 2006 and currently serves as the Chairman of the Board and an executive Director. Dr. Zhang holds a Ph.D. in Economics and is a Senior Economist. He served as a Research Scholar at the Stanford University School of Medicine, and from 2018 to 2019, he was a Global Affiliate Visiting Scholar at the Walter H. Shorenstein Asia-Pacific Research Center and a Research Scholar at the Department of Engineering of Stanford University. Dr. Zhang is also a proponent of the theory of “disruptive innovation”. In addition, he serves as the Chairman of Dubai CATV and as a Senior Partner at CICC Qianhai Weiyi Fund.

Dr. Zhang is also the Chairman of China Asia-Pacific Economic Cooperation (APEC) Development Council, the Vice Chairman of the Internet Society of China, the Vice President of the China Netcasting Services Association, the Vice Chairman of the Beijing Tianjin Hebei Entrepreneurs Union. During the period from 1998 to 2012, he served as the Chinese Representative of the APEC Business Advisory Council. He was the Honorary President of Beijing Internet Association and the Chairman of the board of the former CMGE Group, a company previously listed on NASDAQ.

Dr. Zhang is widely recognised as an influential entrepreneur in China, as well as one of the pioneers and leaders in the China's telecommunications and internet audio-visual industry. With his impressive innovative capabilities and industry leadership, he founded the first Chinese network video company listed on the Main Board of the Stock Exchange and the first mobile gaming company listed on NASDAQ. He is highly regarded as a strategic investor and entrepreneurial mentor, and has earned a reputation of being the "first person for the listing by way of introduction in China". He created the fastest record for the privatisation of Chinese concept stock within 85 days. He has directly and indirectly invested in successful projects such as the former CMGE Group, LAiPIC, 36Kr, Baidu Literature, and NIO Inc. He was honored as one of the "Top 100 Outstanding Figures of China's Economy in 2023", he was awarded the honor of "Beijing Role Model – Most Beautiful Internet Practitioner" in 2024 and was awarded the honor of "2025 New Economy 100 Outstanding Figures" in 2025.

Dr. Zhang is an acclaimed "Civil Diplomat", and has extensive international political and business relations, as well as influence in the government, business, and academic sectors in the Asia-Pacific region. He has served as a visiting professor at the University of Sydney and Nankai University, a council member of the Association for Relations Across the Taiwan Straits, and an advisor to the Overseas Chinese Affairs Office of the State Council. During his tenure as the Chinese representative to the APEC Business Advisory Council, he actively cooperated with the negotiations for China's accession to the World Trade Organisation. He also participated in the initiation of the APEC Business Travel Card program and actively promoted China's participation and implementation of the program, greatly facilitating business exchange in the Asia-Pacific region, and earning him the esteemed "APEC Business Advisory Council Ten-year Outstanding Contribution Award".

Dr. Zhang is a philanthropist dedicated to social welfare and the initiator of the Zhang Senlin Education Fund under the China Soong Ching Ling Foundation, contributing to the cultivation of talent for the nation.

Directors and Senior Management



Mr. PENG Xitao (彭錫濤先生), aged 48, was appointed as an executive director and the Chief Executive Officer of the Company on 1 January 2021. He is responsible for daily operation, management and planning of the Group. Prior to that, he was appointed as the Joint Chief Operations Officer of the Company in 2018. Mr. Peng holds a Master degree of Computer Application from Nankai University and has more than 23 years of experience in the internet and related industries. He worked at the Internet and E-commerce Department of China Unicom as an engineer, engaging in the maintenance and construction work of internet network. In 2012, he founded Yicai Yangguang (溢彩陽光) as the Chief Executive Officer, and Lottery 365 under his leadership quickly emerged as the number one mobile customers product in terms of the number of users and market share in the mobile internet lottery sector in China. With its outstanding product features, Lottery 365 had received many prestigious awards for its product innovation and branding in the industry. In 2015, Mr. Peng founded Crazy Sports and served as the Chief Executive Officer. He pioneered the paid sports information platform – Crazy Red Insights which focus on providing lottery users with professional analyses and information services relating to football and basketball games, and such platform has quickly become a leader in the industry.

Independent non-executive Directors

Mr. ZANG Dongli (臧東力先生), aged 66, was appointed as an independent non-executive director of the Company on 1 January 2021. He has about 40 years of experience in cultural and sport industries. He has been engaging in the development, advertising and fund-raising activities of national large-scale projects. He was responsible for the advertising, marketing and financing work of various large-scale projects, including the 11th Asian Games, the 7th National Games of the PRC, the 3rd Far East and South Pacific Games for the Disabled, the 21st Universiade and the 2008 Olympic Games in Beijing respectively. From 2007 to 2009, he served as the Head of the Market Development Department of Beijing International Media Center to provide services to the 2008 Olympic Games in Beijing, during which he was responsible for raising funds for the establishment of the Media Center and facilitated the cooperation with dozens of famous brands and enterprises in respect of fund raising and in-kind contributions. Thereafter, Mr. Zang worked as a Project Director of the Business Department of National Stadium Co., Ltd., responsible for the development of large-scale events and project fundraising for the National Stadium (Bird's Nest) until his retirement in early 2020.

Ms. LIU Haoming (劉昊明女士), aged 38, was appointed as an independent non-executive Director on 1 January 2022. She has more than 12 years of work experience in the fields of accounting, auditing and financing. She started her career with a leading national accounting, tax and business consulting firm in Canada in January 2013 and currently serves as an Assurance Manager. Ms. Liu is a Chartered Professional Accountant in Canada, and she holds an Honours Bachelor of Commerce degree (major in Accounting) from Laurentian University, Canada.

Ms. ZHANG Xiaofen (張曉芬女士), aged 41, was appointed as an independent non-executive Director on 20 August 2025. She graduated from Jiangsu College of Engineering and Technology and currently serves as the General Manager of Suzhou China-Europe Technology Transfer Co., Ltd. and Suzhou High-Tech Zone Lupu Entrepreneurship Service Co., Ltd. She is also a member of the Sports Management Professional Committee of the China Management Science Society and a member of the China Association for Science and Technology Finance. Ms. Zhang has been engaged in corporate management training and consulting for over 20 years, serving as an innovation strategy consultant for numerous well-known Chinese enterprises. She previously worked as an assistant to Professor Edison Tse, a tenured professor at Stanford University, and was a core expert in the "Disruptive Innovation" Business Thinking framework. As a member of the editorial board, she contributed to the publication of "The Art of Disruptive Innovation" and "Product Management and Reshaping". She also managed the operation and administration of the Tsinghua University Continuous Education College's Entrepreneur Training Program in Suzhou, focusing on the incubation of startups, technology and industrialisation services for new quality productive forces such as artificial intelligence, and government project investment and implementation. Additionally, she has been involved in the commercial transformation of projects under the Chinese Academy of Sciences' industrialisation platform.

Directors and Senior Management

Senior Management

Mr. LI Zhenyu (李震宇先生), aged 54, joined the Group in 2016, and was appointed as the Chief Risk Management Officer of the Company in February 2019. He is responsible for the Group's risk management, internal audits, legal affairs, and investment risk management. He has worked in the investment, risk management and other related fields for over 26 years, and has accumulated vast risk management experience. Prior to joining the Group, he had been Risk Management Vice President of Zhongying Commercial Factoring Co., Ltd. (中盈商業保理有限公司), and Risk Management Director at GOME Financial Holdings Investment Co., Ltd. (國美金控投資有限公司), Simsen International Corporation Limited (天行國際有限公司), Zhongji Investment Holding Group Co., Ltd. (中際投資控股集團有限公司) and other organisations. Mr. Li holds an Economics Bachelor degree from the College of Economics and Management of Northeast Forestry University, majoring in Accounts.

Mr. CHAN Lap Chun Jason (陳立駿先生), aged 35, is the Financial Controller and Joint Company Secretary of the Company. He joined the Group in 2020. He holds a Bachelor degree of Business Administration in Accounting and Finance and a Master degree of Corporate Governance from The Hong Kong Polytechnic University. He is a Fellow Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Chartered Accountant of the Institute of Chartered Accountants in England & Wales. Mr. Chan is also an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. He has more than 13 years of experience in auditing, accounting, corporate governance and compliance issues in listed companies in Hong Kong. Before joining the Group, he acted as an audit manager in an international audit firm.

Mr. WEI Guilei (魏貴磊先生), aged 43, joined the Group in 2018, and was appointed as the Chief Operating Officer of the Company in January 2023. He has over 19 years of experience in publishing, operation and management of games and Internet application products in China. Mr. Wei founded Jiuyi Gaming (九藝遊戲), a leisure game platform in China, in May 2008, which was later acquired by Microbeam (微屏軟件科技(上海)有限公司) (i.e. people78.cn (人民棋牌) under People's Daily Online). In 2012, he served as the director of the mobile business department of Yicai Yangguang (溢彩陽光), responsible for the promotion and operation of Lottery 365. Mr. Wei is also the co-producer of the Group's popular sports games including "Ace Soccer", "Dream Soccer" and "Soccer Manager". Mr. Wei holds a Master degree of Management from Renmin University of China.

Mr. HUANG Ming Fung (黃銘鋒先生), aged 35, is the Joint Company Secretary of the Company. He joined the Group in 2022 and served as company secretarial manager. He is responsible for handling corporate secretarial matters for the Group. He holds a Bachelor degree of Commerce (Honours) in Accounting and a Master degree of Science in Corporate Governance and Compliance. Mr. Huang is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and has more than 10 years of experience in handling corporate secretarial matters.

Environmental, Social and Governance Report

OVERVIEW

The Group is pleased to present the 2025 Environmental, Social and Governance (“ESG”) Report (this “Report”) to demonstrate its strategic decisions in corporate sustainability. The Group is a leading digital sports entertainment community operator in the PRC. The principal businesses of the Group include the development and operation of paid sports information platform, sports social interactive 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.

ABOUT THIS REPORT

This Report has been prepared in strict compliance with the requirements under the Environmental, Social and Governance Reporting Guide (the “Guide”) set out in Appendix C2 to the Listing Rules, covering the principal businesses of the Group. The coverage includes places of operation and offices of the Group in Beijing and Hong Kong. The reporting period was from 1 January 2025 to 31 December 2025. Key performance indicators to be disclosed as required by the Guide were all addressed in the sections headed “Environmental Sustainable Development” and “Social Sustainability” of this Report. Apart from complying with the reporting principles of the Guide, this Report has made illustrations on our compliance with relevant laws and regulations. This Report is prepared in both English and Chinese versions and have been uploaded onto the website of the Group at <https://ir.crazysports.com> and the website of the Stock Exchange at <https://www.hkexnews.hk>. For details on corporate governance, please refer to pages 56 to 75 of this Annual Report.

The Group adheres to the following reporting principles in defining the reporting content:

- Materiality:

The Group focuses on issues that have significant impact on our business and are important to the stakeholders. Material issues are identified through stakeholder engagement activities and are validated.

- Quantitative:

Key performance indicators are presented in quantitative terms with methodology explained whenever feasible to illustrate our sustainability performance.

- Consistency:




The Group utilises a consistent measurement methodology to allow for meaningful comparison of ESG data over time. There is no significant change in the methodology in the preparation of this Report during 2025.

- Balance:

This Report provides stakeholders with an unbiased picture of the Group’s achievements and the risks.

STAKEHOLDER ENGAGEMENT

Stakeholders refer to groups and individuals significantly influencing or being influenced by the Group’s businesses. The stakeholders of the Group include governments, regulatory authorities, shareholders, investors, directors, employees, customers, suppliers and the general public. We strongly believe that the construction of consistent and effective communication channels with stakeholders is beneficial to the Group to comprehend sustainability issues concerned by stakeholders, so that we can provide suitable and effective responses and compile this Report in accordance with the issues essential to our stakeholders. Our communication activities with stakeholders during 2025 include:

Stakeholders	Communication activities
 <p>Shareholders Investors</p>	<p>Annual general meeting One-to-one or group investor meetings Non-deal investor roadshows Corporate websites</p>
 <p>Directors Employees</p>	<p>Board meetings Staff trainings Exchange seminars</p>
<p>Customers Suppliers</p>	<p>Complaint and enquiry telephone hotline and email Suppliers conferences Exhibitions in technology and games</p>
 <p>Media The public</p>	<p>Management interviews by the media Press releases and corporate news Corporate websites Complaint and enquiry telephone hotline and email</p>

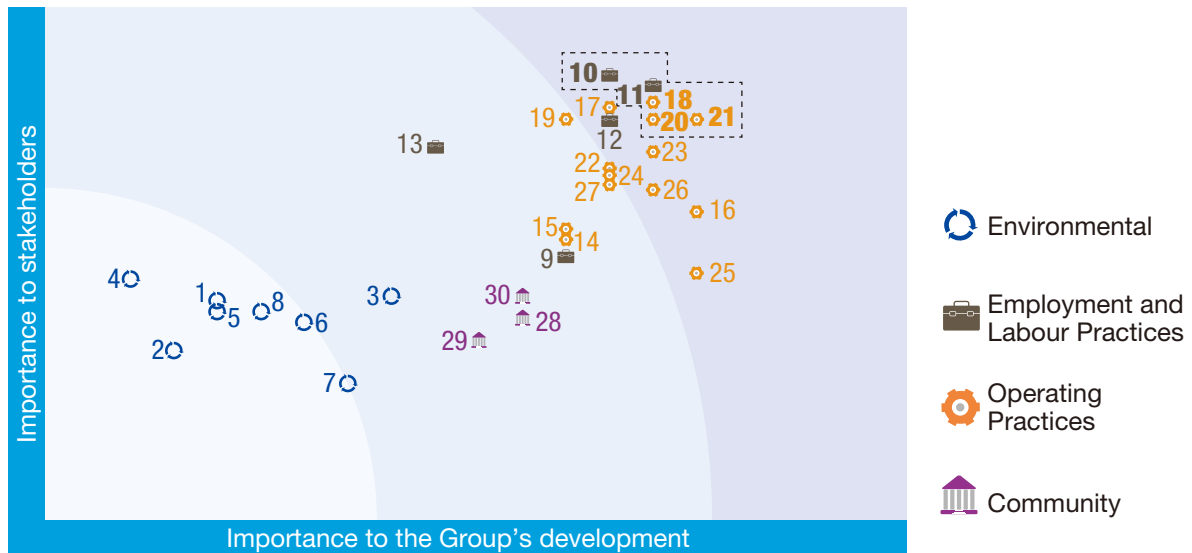
The Group welcomes stakeholders’ opinions and feedback, especially on our sustainability effort and performance. Readers are also welcomed to share their valuable opinions with the Group via the following ways:

Address: Suites 3702–3, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
 Telephone: (852) 2869 8966
 Fax: (852) 2869 8960
 Mailbox: ir@crazysports.com.hk

MATERIALITY ASSESSMENT

Different companies face different sustainability risks due to their unique business models. The Group specifically delegated an independent sustainability consultant during 2025 for materiality assessment on sustainability to identify the sustainability issues greatly concerned by the Group’s stakeholders. The Group invited different types of stakeholders to participate in the survey prepared by the independent sustainability consultant. The invited stakeholders would select the most important option from a series of sustainability issues related to the businesses of the Group, thereby forming the materiality assessment matrix as set out below. This scientific materiality assessment facilitates the Group in identifying the priority in handling items of ESG issues as well as formulating and managing ESG strategies and initiatives more effectively.

Based on the results of the materiality assessment matrix, stakeholders identified the following five ESG issues that are the most important to the Group from 30 sustainability issues related to the Group:



- | | |
|--|--|
| 1 Greenhouse gas and exhaust emissions | 14 Responsible procurement |
| 2 Climate changes | 15 Supplier management |
| 3 Energy use management | 16 Healthy online game content |
| 4 Water consumption and sewage treatment | 17 Impact of products/services on society |
| 5 Land use, pollution and restoration | 18 Customers satisfaction about products and services |
| 6 Solid waste treatment | 19 Marketing and promotional strategies of products and services |
| 7 Use of packaging material | 20 Protection of intellectual property |
| 8 Mitigation measures to protect environment and natural resources | 21 Protection of customer data and privacy |
| 9 Employee diversity composition | 22 Corporate governance |
| 10 Employee remuneration and benefits | 23 Prevention of bribery, extortion, fraud and money laundering |
| 11 Employee occupational health and safety | 24 Anti-corruption policies and whistle-blowing procedures |
| 12 Employee development and training | 25 Responsible lottery |
| 13 Prevention of child labor and forced labor | 26 Cyber attack and fraud |
| | 27 Enterprise risk management |
| | 28 Stakeholder engagement |
| | 29 Support for local community |
| | 30 Public welfare and charity |

BOARD PARTICIPATION

The Board is the highest governing body primarily responsible for the formulation of the Group's sustainability strategy. The Board regularly integrates the Group's sustainability objectives into its businesses, identifies and manages our sustainability risks and provides improvement recommendations. The ESG Committee was established by the Board to facilitate the Board in implementing sustainability policies and it regularly reports to the Board on performance of the Group's sustainability. The ESG Committee consists of the Chief Executive Officer and three independent non-executive Directors. It convened two meetings in 2025 and reviewed the Group's performance and important sustainability issues from the strategic and operational viewpoints, so as to ensure the Group's information disclosure related to sustainability complies with the requirements of the Guide.

BOARD STATEMENT

The Board is fully responsible for the ESG issues of the Group and their integration with the Group's strategy. The Board provides guidance on the management and monitoring of the ESG issues determined to be related to the Group. To ensure effective implementation of the Group's ESG initiatives, the Board requires the ESG Committee to report on a regular basis, reviews the list of material issues and risks, and ensures that appropriate risk mitigation measures are in place. All sustainability disclosures, policies, objectives and targets of the Group are reviewed and approved by the Board, while performance is evaluated on a regular basis. The Board has confirmed that it has reviewed the contents of this Report. If you have any questions on the contents of this Report, please feel free to give feedback and the Board will ensure such issues will be addressed properly.

A. ENVIRONMENTAL SUSTAINABLE DEVELOPMENT

This section primarily illustrates the Group's policies and key performance indicators of emissions, use of resources, environment and natural resources in 2025.

A.1 Emissions

The Group has minimal impact on the natural environment as its asset light and non-industrial business model does not directly emit large amounts of pollutants and hazardous waste. During 2025, the Group generated 24.9 kg of nitrogen oxides and 2.2 kg of particulate matter. No sulphur oxides were generated during 2025. During the same year, the total greenhouse gas emissions from the Group amounted to 168.5 tonnes of carbon dioxide equivalent.

Table 1: Amount of Various Types of Waste Gas Emissions in 2025

Gas	Unit	Amount of Emissions
Nitrogen oxides (NO _x)	kg	24.9
Sulphur oxides (SO _x)	kg	–
Particulate matter	kg	2.2

Table 2: Amount of Greenhouse Gas Emissions in 2025

Key Performance Indicator	Unit	Amount of Emissions	Intensity* (Unit/revenue per HK\$ million)
Scope 1 (direct emissions)	tonnes of CO ₂ equivalent	5.7	0.018
Scope 2 (indirect emissions)	tonnes of CO ₂ equivalent	92.0	0.291
Scope 3 (other indirect emissions)	tonnes of CO ₂ equivalent	70.8	0.224
Total	tonnes of CO ₂ equivalent	168.5	0.533

*Note: Intensity is calculated based on the revenue of the Group for 2025 of HK\$316.0 million.

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The greenhouse gases emitted by the Group are mainly attributable to the Scope 2 (indirect emissions) and the Scope 3 (other indirect emissions) contained in the Guide. The largest consumption for the Scope 2 (indirect emissions) is the electricity used in daily office operations and the Scope 3 (other indirect emissions) is attributable to paper used in daily office work and employees' business travels. The Scope 1 (direct emissions) of the Group as described in the Guide is mainly attributable to vehicles and gasoline used in performing the daily office duties of the Group. In order to reduce greenhouse gas emissions, the Group adopted various measures on energy saving and consumption reduction. For the details of the relevant measures, please refer to "A.2 Use of Resources" in this Report.

The Group's operations do not generate any hazardous waste. The other solid waste produced in the course of operations of the Group is mainly solid waste generated from daily office operations, including plastics, waste paper and daily life waste. The Group implemented a waste classification and recycling plan. We use recycling bins to separate solid waste, which is then delivered to recycling centers or waste treatment centers by a professional health service company for further disposal. Meanwhile, we have also reduced waste generation from the source. The Group has basically achieved paperless office, encourages employees to use electronic documents and make good use of electronic communications, so as to reduce paper usage. In addition, we also encourage employees to reuse old office equipment to reduce the habit of disposal after use.

Table 3: Amount of Non-Hazardous Waste Produced in 2025

Waste	Type	Unit	Amount of Emissions	Intensity* (Unit/revenue per HK\$ million)
Non-hazardous waste	Office daily solid waste	kg	13,500	42.7

*Note: Intensity is calculated based on the revenue of the Group for 2025 of HK\$316.0 million.

A.2 Use of Resources

The Group has been strictly controlling the use of various resources in its operations, and initiated a series of internal control systems related to the procurement and use of natural resources. During 2025, the major resources consumed by the Group were electricity, water, petrol and paper. No packaging material is used for the Group's products.

Table 4: Amount of Various Types of Resources Used in 2025

Resources	Unit	Amount	Intensity* (Unit/revenue per HK\$ million)
Electricity	kWh	95,667	302.7
Water	m ³	18,639	59.0
Petrol	liter	2,431	7.7
Paper	kg	392	1.2

*Note: Intensity is calculated based on the revenue of the Group for 2025 of HK\$316.0 million.

- **Electricity**

The electricity consumption of the Group is mainly attributable to daily office operations. We believe that reduction in electricity consumption can reduce greenhouse gas emissions. We encourage employees to save electricity, educate them on energy conservation and emission reduction, and ensure that all employees comply with energy-saving measures. Meanwhile, we actively research the use of more environmentally friendly new technologies in business operations and operating procedures. The effective electricity consumption measures implemented by the Group are as follows:

- ✓ Posting environmental protection signs such as "Please turn off all lights after work" in prominent places of the office to remind employees to save electricity
- ✓ Promoting the use of energy-saving lighting systems such as LED
- ✓ Maintaining the indoor air-conditioning temperature at 25 degrees Celsius
- ✓ Checking whether electrical appliances are turned off regularly every day to prevent them from being left turned on
- ✓ Hiring professional maintenance experts regularly to repair and clean the air-conditioning system
- ✓ Purchasing products with energy efficiency labels

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- **Water**

The Group's water consumption is mainly attributable to daily office operations. We regularly emphasise the importance of water conservation to our employees and require them to save water. The measures include:

- ✓ Cutting off unnecessary water use from the source and regularly checking the water consumption of each office
- ✓ Posting "Water Conservation" promotional posters in prominent places
- ✓ Reminding employees to close the faucet tightly after using water
- ✓ In case of water leakage, repairing or replacing water facilities immediately

- **Petrol**

The Group's use of petrol is mainly attributable to our office vehicles. We advocate the use of high-grade petrol to reduce the impact on the environment. Meanwhile, we purchase low-fuel consumption vehicles where possible and require employees to use public transportation where possible to reduce greenhouse gas emissions.

- **Paper**

The Group's use of paper is mainly attributable to daily office operations. Due to business nature, the Group recorded zero consumption of packaging materials during 2025. Reducing paper consumption is always our focus. We emphasise the effective use of paper. In addition to choosing and using environmentally friendly paper where possible, we also adopt the following measures to reduce paper consumption:

- ✓ Encouraging double-sided printing and making good use of both sides of the paper
- ✓ Using e-mails, internal networks and scanners where possible to send or store documents electronically
- ✓ Purchasing printing paper from environmentally friendly suppliers
- ✓ Using the electronic interface to promote the various businesses of the Group to users and reduce the consumption of paper materials

A.3 Environment and Natural Resources

Except for the resource consumption and emission issues discussed above, the Group's operations had no direct and significant impact on the environment and natural resources.

A.4 Climate Changes

Climate changes pose significant risks to the global economy and exert significant influence on the sustainability of all sectors. Rising temperatures and extreme weather are threatening our communities and business operations. The Board is the governing body which fully responsible for oversight of the Group’s climate related risks and opportunities. The Board regularly reviews the impact of the Group’s daily operations on climate changes and is committed to adopting environmentally friendly operational measures to reduce greenhouse gas emissions and alleviate the pressure on global climate change. At the same time, we regularly assess the risks of climate changes to our operations and prepare scenario analyses to enhance our resilience to climate changes.

The ESG Committee is responsible for identifying climate related risks and opportunities that may affect the Group’s operations and financial position, which were included in a monitoring list and reported to the Board regularly. The following are the climate related risks that may affect the Group in short to medium term and the corresponding mitigation measures.

Climate Risks		Mitigation Measures	
Physical Risks	Extreme weather caused by climate changes may lead to serious natural disaster events such as droughts, floods, severe hurricanes and wildfires, which may affect daily business operations and in turn, adversely affect the Group’s financial performance	✓	Develop emergency measures that maintain normal business operations
		✓	Commit to adopting environmentally friendly operational measures to reduce greenhouse gas emissions and alleviate pressure on global climate change
Transitional Risks	Governments and regulators of various countries implement more stringent corporate sustainability policies and information disclosure requirements	✓	Make changes and adaptations in daily business operations
		✓	Regularly review and analyze the sustainability disclosure requirements of each place of operation and the international sustainability disclosure requirements
		✓	Engage independent sustainability consultants to enhance the ESG disclosure and data collection procedures.

While climate change imposes physical and transitional risks to the Group, it also reshaping the consumer behaviour, culture and digital engagement. As a leading digital sports entertainment community operator in the PRC, there are growth in sustainable lifestyle products such as digital information and content in short to medium. Thus, it will enhance the demand of the Group's products and revenue. The Group will keep monitoring the anticipated opportunities arising from climate changes.

The Group is strengthening its climate resilience by ensuring its sports information and interactive platforms remain stable, energy-efficient, and accessible even under extreme weather disrupts physical infrastructure. By strengthening cloud redundancy, optimising data delivery and streaming performance, and integrating climate risks into our operational planning, we provide our customers uninterrupted access to sports information and interactive experiences.

A.5 Sustainable Development Goal

After communicating with stakeholders, taking into consideration that business operations will be in high growth stage, the Group has set the 2025 sustainable development goals, aiming to maintain the intensity of greenhouse gas emission, hazardous/non-hazardous waste produced and various types of resources used at the level same as that of 2022. Our emission intensity as in 2025 was still higher than the target. To achieve such goals, we have, and will continue to adopt measures mentioned in this Report.

B. SOCIAL SUSTAINABILITY DEVELOPMENT

This section primarily illustrates the Group's policies and key performance indicators with respect to employment, health and safety, development and training, labor standards, supply chain management, product responsibility, anti-corruption and community investment of the Group in 2025.

B.1 Employment

The Group attaches great importance to the positive role of talents in corporate development, and carries out comprehensive construction of a mechanism for selecting, nurturing, employing and retaining talents, striving to create a fair, open, safe and healthy career platform for employees. The Group's human resources department, in accordance with the requirements as set out in the labor laws of the PRC and Hong Kong, strictly abides by the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the "Regulations on the Supervision and Administration of Occupational Health in the Workplace" and other applicable laws and regulations of the PRC.

Our employees are treated non-discriminatively with respect to recruitment, employment, training, promotion, remuneration, dismissal and retirement, irrespective of their gender, race, age, disability, family status, marital status, sexual orientation, religious beliefs, nationality or any other factors unrelated to work. We also attach great importance to the rights and interests of female employees, so that women have fair opportunities for promotion.

The Group is committed to attracting outstanding talents to join, and all employees are recruited in accordance with the principles of openness and fairness. We prepare our annual recruitment plan according to the needs of business development. During the process of signing a labor contract with a new employee, it shall be carried out on the basis of equality, voluntariness and negotiation of both parties. We provide all employees with the “Staff Handbook” to protect the rights and interests of employees. The Group strictly abides by the minimum wage requirements of its places of operation, and pays social insurance and retirement pensions for all employees. We set the working hours of employees in accordance with relevant laws. In addition to paid statutory holidays, employees also enjoy sick leave, maternity leave, paternity leave, marriage leave, funeral leave, etc.

In order to retain outstanding talents, the Group conducts employee performance appraisals every year, evaluates the work performance of employees, promotes high-performance and high-potential employees, and adjusts employee remuneration based on the results of the appraisal. Meanwhile, the Group established a clear dismissal system. According to the law and the Staff Handbook, employees are dismissed reasonably and legally, and any unfair or unreasonable dismissal is strictly prohibited.

During 2025, the Group was in full compliance with relevant laws and regulations regarding remuneration, dismissal, recruitment, promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, benefits and other employment-related issues that are material to the Group. We did not receive any complaints or involve in disputes concerning employment.

As of 31 December 2025, the number of employees of the Group was 108. During 2025, 37 employees resigned, representing an annual turnover rate of 34.3%. The relatively high employee turnover rate was mainly due to the Group’s business transformation.

Table 5: Employees by Category as of 31 December 2025

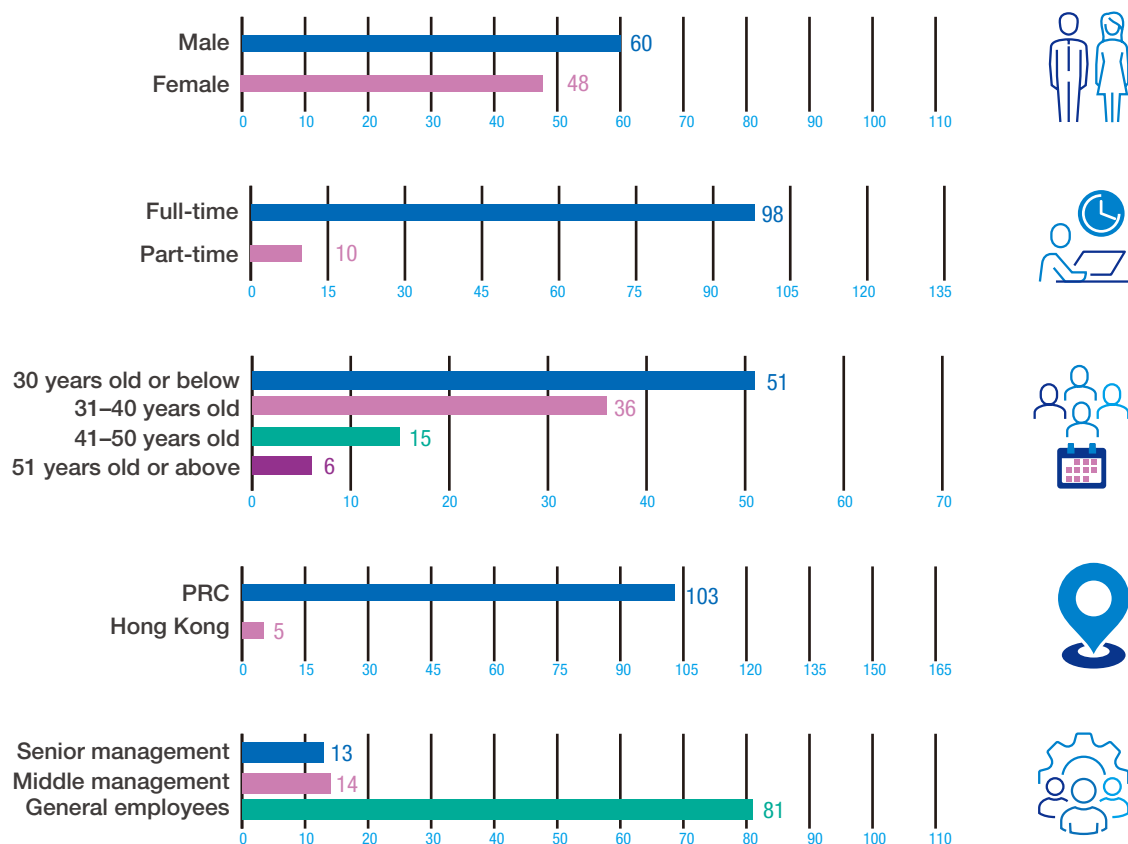
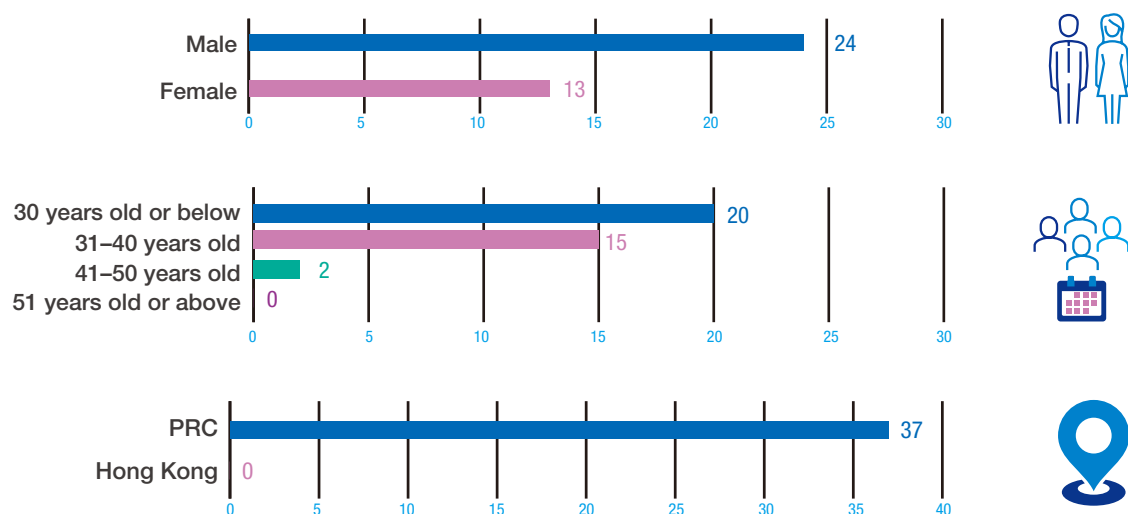


Table 6: Resigned Employees by Category in 2025



B.2 Health and Safety

The Group pledges to provide a safe and healthy working environment for all employees and thoroughly enforcing the PRC and Hong Kong laws and regulations relating to occupational health and safety. We have formulated various work health and safety measures, including the purchase of commercial medical and accident insurance, the provision of health check-ups for employees and safety guidelines for employee induction training, in order to enhance the safety awareness of our employees. In addition, we have introduced a humanistic and caring system, and organised regular corporate culture activities and regular employee medical check-ups. All of our offices are equipped with first aid kits to deal with any emergency situations, and we strive to create a clean, tidy, smokefree, non-toxic, non-hazardous, healthy and safe working environment for our employees.

During the past three years, the Group did not record any work-related fatalities and losses on working days in relation to work injuries resulted from industrial accidents. In 2025, the Group did not violate any laws and regulations in relation to occupational health and safety.

B.3 Development and Training

The Group attaches great importance to the positive role of talents in corporate development, and carries our comprehensive construction of a mechanism of selecting, nurturing, employing and retaining talents. We provide a full range of training programs for our employees to help them achieve their career development goals. All new employees must participate in induction training to understand the culture, organisational structure, strategy, and business processes of the Group. We arrange dedicated instructors to assess the performance of employees during the probation period, and continue to assist new employees to familiarise themselves with the work process of the Group during the 3 to 6 months after the probation period, so that they can quickly integrate into the work environment. Our business department will develop internal or external professional skills training according to the job needs of different positions. We have formulated a talent nurturing plan and strengthened cooperation with various colleges and universities to provide strong and powerful human resources for the sustainable and stable development of the Group.

In 2025, the Group provided an aggregate of 3,183 hours of training sessions to 108 staff members, and the average training time for each employee was 29.5 hours. The training topics consisted of active participation in online vocational training at the company level in response to the government recommendation and introduction of online training through the Beijing Vocational Skill Improvement Operational Management Platform. All of the Group's employees in PRC participated in the aforementioned platform. In addition, with the expansion of sports lottery retail outlets, the Group trained the staff of new outlets in 2025 in relation to aspects including sports lottery knowledge, equipment management, compliance operation and sales techniques to help the new practitioners master the knowledge of lottery sales and services, and improve the awareness of safety precautions, so as to eliminate any violations of the red line of compliance operation, adhere to conducting lottery sales services in a legal and compliant manner, and jointly build and maintain the brand image of national public welfare lottery.

Table 7: Training Hours of Employees by Category in 2025

	Senior management	Middle management	General employees	Total
Training time (by hours)	685	477	2021	3,183
Number of employees	14	14	80	108
Average training time per employee (by hours)	48.9	34.1	25.3	29.5

	Male	Female
Training time (by hours)	1,793	1,390
Number of employees	60	48
Average training time per employee (by hours)	29.9	29.0

B.4 Labor Standards

The Group is fully aware that child and forced labor violate basic human rights. The Group strictly abided by the relevant laws and regulations of the PRC and Hong Kong, and prohibited any child labor and forced labor. When recruiting, we will require applicants to produce identification documents including ID cards, graduation certificates and employment history to ensure that the age and other personal information provided by them are correct and the employees are hired legally. In addition, we require all suppliers to strictly prohibit the use of any child labor or forced labor. If any violation of the laws and regulations on the employment of child labor or forced labor is found, the Group will issue a warning or even terminate the cooperation agreement. As a caring employer, the Group provides food allowances, birthday benefits, medical insurance and retirement plans, and arranges flexible working hours or work at home for employees who need to take care of their families.

During 2025, the Group has not violated any laws and regulations in relation to the prevention of child or forced labor.

B.5 Supply Chain Management

While strongly supporting sustainability, the Group also expects its suppliers to fulfill the same social responsibilities. We give priority to the most environmentally friendly and socially responsible suppliers, and strictly monitor the ESG performance of the overall supply chain.

The suppliers of the Group mainly provide product promotion and game R&D technical support and other services. We have formulated stringent supplier assessment procedures, and only make selections based on the price, services, quality and reputation of potential suppliers to prevent a conflict of interest and bribery. The Group takes every measure to prevent relevant employees from receiving personal interests from suppliers, and requires suppliers and relevant employees to declare their interests to avoid transfer of benefits. In addition, we have incorporated sustainability issues into our procurement and outsourcing process and required suppliers to strictly comply with key ESG principles.

During 2025, the Group cooperated with 252 suppliers, which are from the PRC, the United Kingdom, the United States of America, Spain, Brazil, Australia, Finland, Denmark, the Philippines, Slovakia, Austria, Cyprus and South Korea.

B.6 Product Responsibility

The Group is committed to creating a healthy online gaming environment, and has been actively responding to regulatory changes and taking all measures to ensure that our online games comply with regulatory requirements, particularly with regard to the protection of underage users.

- In response to the “Notice on Further Strict Management to Prevent Minors from Becoming Addicted to Online Games of the National Press and Publication Administration”, the Group, under the guidance of the Game Publishing Committee of the China Audio-video and Digital Publishing Association and the competent national authorities, has jointly issued the “Convention on Self-Discipline for the Prevention of Addiction in the Online Game Industry”;
- Establishing a product self-examination task force composed of multiple departments, including technology, operation, distribution and public affairs, to strictly examine all game products and ensure that the implementation and improvement of the anti-addiction system is completed in the first instance;

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- Completing the upgrade of the anti-addiction system of all game products, strictly implementing the inclusion of appropriate age reminders for games, limiting the duration of online game services, fully implementing real-name registration and log-in, and regulating and limiting user payments in accordance with national requirements; and
- Actively carrying out parental guardianship projects and providing parents with channels such as customer service hotlines, game official accounts and customer service QQ for complaints and feedback from guardians of minors.

The Group fully understands the social responsibility of operating the sports lottery business. Therefore, we specially formulated the “Responsible Lottery” to regulate our product responsibilities in the sports lottery business. As one of the key service providers of China Sports Lottery Administration Centre, the Group actively puts the sports lottery spirit of “Responsibility, Integrity, Solidarity and Innovation” advocated by the sports lottery into practice. We continue to closely work and communicate with various stakeholders including government, customers, employees, communities and non-governmental organisations to develop and implement the best measures to promote responsible gaming.

- Emphasising on integrating the construction of responsible lottery into the daily operation of lottery business for promoting a continuous and healthy development of lottery point of sales. We strive to focus on safe production, asset inspection and safety in sales, thereby ensuring the safe and stable operation of sports lottery services;
- Rigorous review of the locations of our lottery retail outlets to ensure that they are located outside of 200 meters of schools;
- Displaying “Minors under 18 years old are prohibited from buying lottery tickets” signs in prominent positions in lottery outlets, emphasising on regulating the marketing and promotion;
- Actively advocating rational lottery buying with a view to creating a healthy and excellent lottery buying environment;
- Implementing standardised lottery announcement process to demonstrate the “fair, just and open” spirit and strengthen the credibility and transparency of sports lottery; and
- Training lottery practitioners with regard to sports lottery knowledge, equipment management, compliance operation, sales skills and other aspects, insisting on legal and compliance sales, and jointly building and maintaining the brand image of the national public welfare lottery.

As a digital sports entertainment community operator, the Group collects plenty of users' personal data in its daily business operations. Therefore, we pay special attention to user data security and privacy protection. We are committed to reducing related risks by establishing professional network security systems and a privacy protection department. We have adopted a variety of measures and technologies that are in line with industry standards to store user data, and significantly limit the number of employees who can access to the servers to prevent data leakage, misuse, tampering or damages, including:

- Encrypted transmission through network secure layer technology (SSL);
- Encrypted storage of personal data;
- Restricted access to data center;
- Use of private network channel;
- Network proxy; and
- Password-controlled server.

We only allow employees who have to use the relevant private data to access or modify user data after passing the identity verification process. Meanwhile, we require them to comply with the confidentiality agreement, and if they fail to do so, they will be held legally liable or fired. In addition, we have established the "Crazy Sports Personal Data Protection Agreement". Users of products of the Group are required to pass real-name authentication, and we clearly inform users of the content of user information that may be collected, only collect the minimum amount of necessary data from users to avoid collecting irrelevant private data, and specify the retention period of user data. We also actively enhance the security awareness of users, including reminding them to be cautious about sharing their private data and to set strong personal password, to reduce the risk of data leakage. In case of any personal data leakage, we would follow the established internal procedures to ensure that the concerned users and the public are informed of the case in a timely manner, so that they can take timely remedies according to our suggestions to reduce losses.

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The Group is engaged in the creative industry. Hence, we attach great importance to the protection of intellectual property. The “Staff Handbook” stipulates that any invention, creation, compilation, software, technology, trade secret or other forms of intellectual property created by any employee by using any of the Group’s resources shall belong to the Group. Such creations shall also be the confidential information of the Group, and the relevant employees must abide by the confidentiality agreement and must not disclose it to the public. We also respect the intellectual property rights of the other companies. If others’ creations need to be used, our employees must ensure that the relevant procedures or applications have been carried out according to legal requirements and shall not infringe on the rights of the others. All of the software and information the Group uses are provided with legal licenses, and the Group refuses to use any products or services that violate copyright or intellectual property rights.

In order to establish a sound and mutual relationship with customers, the Group has established a comprehensive customer complaint handling process, which is handled by the customer service department. Customer service representatives will patiently handle complaints and requests from customers, and will also record effective feedback from customers to help improve product experience. Our “Dispute Resolution System” fully establishes the approaches for handling various opinions and complaints, maintains fairness, and ensures that the staff has a basis for dealing with the relevant issues. If any malicious use of accounts, false accusations, fraud or other misconducts are found, we will also regulate those incompliant users by following the handling approach set out in the “Dispute Resolution System”, such as issuing warnings, imposing speech restrictions and account suspensions. The Group strongly opposes users conducting any offline transactions, such as purchase and sales of accounts, equipment and game currency, and we would not handle any losses incurred by any user arising therefrom. The customer service department establishes user antiaddiction reminders and proactively prompts users who found to be spending a lot of money not to get addicted to games or buy lottery tickets when communicating with users.

In 2025, the Group received a total of 220 complaints from customers and the complaints resolution rate was 100%. The Group had no product sold being recalled for the same period. We did not violate any laws and regulations regarding product liability, intellectual property rights and data privacy.

B.7 Anti-corruption

The Group believes that a business operation based on integrity forms the basis of corporate social responsibility. We strictly comply with all laws and regulations in relation to anti-corruption and antibribery in the PRC and Hong Kong. We have zero tolerance to any form of corruption. The rules and codes in relation to anti-corruption in the “Staff Handbook” are more stringent than the requirements of laws and regulations. The Group will stop and handle any violations immediately once discovered. Employees who violate the law will never be tolerated and be handed over to the judicial authorities. Our internal audit department is responsible for monitoring the work of each department, and an email address of whistle-blowing shenji@fengkuang.cn was set up. Employees are encouraged to provide constructive feedback on company management issues, including the reporting of corruption and abuse. We provide regular training to our Directors and employees on business ethics and corruption prevention. In 2025, the Group provided to Directors and employees with a total of 714 hours of anti-corruption related training.

During 2025, the Group did not receive any corruption lawsuits against the Group or its employees. Meanwhile, the Group and its employees were not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering.

B.8 Community Investment

The Group attaches great importance to participating in community building and leverages our resources to contribute to society. We pay special attention to fostering employees’ awareness of social responsibility, and encourage them to voluntarily participate in charitable community activities and actively help the needy ones in the society.

On November 2025, a severe fire broke out at Hong Fuk Estate in Tai Po, New Territories, Hong Kong, resulting in significant casualties and property damage. The Group promptly responded by donating HK\$250,000 through the Knowledge Friends Association to purchase sports equipment (such as balls, sportswear, sneakers, and jump ropes) for affected students, while also supporting post-disaster psychological counseling and confidence rebuilding.

On November 2025, Hainan Bielefeld University of Applied Sciences signed agreements with the Group to deepen school-enterprise cooperation. This initiative aims to build an international development platform for students and cultivate applied talents to support the construction of the Hainan Free Trade Port, contributing to talent development and regional economic growth.

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Corporate Governance Report

A. CORPORATE GOVERNANCE PRACTICES

Corporate governance is the structure of roles, practices, and processes used to direct and manage a business ensuring that a company's objectives are met and evolves with each business and operating environment. The Company is committed to high standards of corporate governance and recognises that good governance is vital for the long-term success and sustainability of Company's businesses. The Company is also committed to ensuring that its affairs are conducted in accordance with high ethical standards so that the Shareholders' interest will be maximised in the long-term and that its employees, business partners, communities and stakeholders will all benefit. The Board is committed to and regularly enhancing the Company's corporate governance practices to ensure high standards of ethics are maintained with the balancing of returns to the Shareholders.

The CG Code contained in Appendix C1 to the Listing Rules sets out (a) the mandatory requirements for disclosure in Corporate Governance Report; and (b) the principles of good corporate governance, the code provisions on a "comply or explain" basis and certain recommended best practices.

The Company had complied with all the code provisions set out in the CG Code throughout the year ended 31 December 2025.

B. BOARD OF DIRECTORS

Corporate Culture

As a leading digital sports entertainment community operator in China, the Group instils a corporate culture of openness, inclusiveness, embracing innovation and sustainability. The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward looking, change embracing and competitiveness focused. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders. Board oversight of culture encompasses a range of measures and tools over time, including workforce engagement, employee retention and training, stringent financial reporting, effective and accessible whistleblowing framework, legal and regulatory compliance (including compliance with the Code of Conduct and group policies), as well as staff safety, wellbeing and support. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

Corporate Strategy

The principal objective of the Company is to enhance long-term total return for all its stakeholders. To achieve this objective, the Group focuses on achieving recurring and sustainable earnings, cash flow and dividend growth without compromising the Group's financial strength and stability. The Group executes disciplined management of revenue growth, margin and earnings. As a leading digital sports entertainment community operator in China, the Group adheres to the nation's strategy to become a sports powerhouse and to deeply cultivate into the trillion-worth digital sports entertainment industry racetrack. Leveraging its unique massive sports users' database, utilising big data, artificial intelligence and blockchain technology to empower traditional sports events, Crazy Sports has established the "Crazy Red Insights + Lottery Sales, Events + Quizzes, IP + Sports Games" as its core pathway to materialise its digital sports strategy. The Chairman's Statement and the Management Discussion & Analysis contained in this Annual Report include discussions and analyses of the Group's performance, the basis on which the Group generates and preserves value in the longer term and delivers the Group's objectives. Further information on the sustainability initiatives of the Group and its key relationships with stakeholders can also be found in the ESG report contained in this Annual Report.

Board Composition

The Company recognises that Board independence is key to good corporate governance. As part of the established governance framework, the Group has in place effective mechanisms (including but not limited to the annual meeting between the chairman of the Board and the independent non-executive Directors, the appointment of at least three independent non-executive Directors in the Board and at least one-third of the Board members are independent non-executive Directors, the assessment of the independence of the independent non-executive Directors in accordance with the Listing Rules and external independent professional advice is available at the Directors' request with the Company's expense) that underpin a strong independent Board and that independent views and input from Directors are conveyed to the Board. The governance framework and mechanisms are kept under regular review to align with international best practice, ensuring their effectiveness.

The Board currently has five members, comprising two executive Directors and three independent non-executive Directors. Collectively, they bring a broad range of commercial, financial, technology, management and stewardship experiences and varied skills, expertise and qualifications for leading and directing the Group's affairs. The composition of the Board and the Directors' biographical details and other information are set out in the "Directors and Senior Management" section of this Annual Report. The roles and functions of the Directors are published on the respective websites of the Stock Exchange and the Company.

Appointment and Re-election of Directors

Any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of a filling a casual vacancy) or until the next following Annual General Meeting (in the case of an addition to their number) and shall then be eligible for re-election at that meeting. In accordance with the Bye-laws which conform to the requirements of the Listing Rules, one-third of Board members are required to retire by rotation each year at the Annual General Meeting provided that every Director shall be subject to retirement at least once every three years. Directors, who retire, if eligible, may offer for re-election at the same Annual General Meeting.

Role and Responsibility of the Board

The management and control of the business of the Company ultimately rests with the Board. The Board sets long term direction and objectives and oversees the management's plans and strategies for the delivery of results. The Board may delegate its responsibilities or functions to board committees and the day-to-day operation to management and ensures appropriate human and financial resources are appropriately applied and that the performance for the achievement of results is evaluated periodically. The Board approves all significant transactions and publication including annual reports, interim reports, circulars and announcements. In cases where Shareholders' approvals are required, the Board resolves to convene the necessary Shareholders' meetings to seek Shareholders' approval. Every Director is committed to carrying out his/her duty in good faith and acting honestly with due diligence, skill and care and in the best interest of the Company and the Shareholders at all times.

The Board is accountable to Shareholders for the long-term sustainable success of the Company. It is responsible for shaping and overseeing the corporate culture, setting and guiding the long-term strategic objectives of the Company with appropriate focus on value creation and risk management, directing, supervising and monitoring the managerial performance and operating practices of the Group to ensure they align with the desired culture. It also ensures ongoing effective communication with Shareholders and engagement with key stakeholders as it develops the purpose and values of the Company. Directors are charged with the task of promoting the long-term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board, led by the Chairman of the Board, fosters and oversees the culture, determines and monitors group-wide strategies and policies, annual budgets and business plans, evaluates the performance of the Company, and supervises the senior management of the Company. The senior management is responsible for the day-to-day operations of the Group under the leadership of the Chief Executive Officer of the Company, and putting in place mechanisms for ensuring that the desired culture of the Company is understood and shared at all levels of the Group.

Board Meetings and Attendance of Directors

All Board and committee meetings adhere to a formal agenda set in advance for consideration/resolution. All Directors may arrange to include matters on the agenda for consideration at Board meetings. Board materials are provided in advance of the meetings and detailed minutes are prepared and made available to all Directors.

Pursuant to the Bye-laws, a Director who to his/her knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his/her interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he/she knows his/her interest then exists, or in any other case at the first meeting of the Board after he/she knows that he/she is or has become so interested. A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board approving any contract or arrangement or proposal in which he or any of his/her associate(s) has/have a material interest, and if his/her shall do so, his/her vote shall not be counted (nor shall be counted in the quorum for that resolution). Questions arising at any meeting of the Board shall be decided by a majority of votes.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group for the year. In addition, Directors disclose to the Company in a timely manner their other commitments, such as directorship in other public listed companies and major appointments as well as update the Company on any subsequent changes.

The Directors play an active role in participating the Company's meetings through contribution of their professional opinions and active participation in discussion. The attendance record of each of the Directors for the Board meetings, the board committees meetings and the general meetings held during the year is listed as follows:

	Number of Meetings Attended/Meetings Entitled to Attend					
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	ESG Committee Meeting	General Meeting
Executive Directors						
Dr. Zhang Lijun	9/9	N/A	3/3	2/2	N/A	1/1
Mr. Peng Xitao	9/9	N/A	N/A	N/A	2/2	1/1
Independent non-executive Directors						
Mr. Zang Dongli	9/9	3/3	3/3	2/2	2/2	1/1
Mr. Zhou Jingping <i>(Note 1)</i>	2/9	1/3	N/A	1/2	1/1	1/1
Ms. Liu Haoming	9/9	3/3	3/3	2/2	2/2	1/1
Ms. Zhang Xiaofen <i>(Note 2)</i>	4/4	2/2	N/A	0/0	1/1	0/0

Notes:

- The office as independent non-executive Director has been vacated and ceased to be members of the Audit Committee, the Nomination Committee and the ESG Committee with effect from 29 December 2025.*
- Appointed as the independent non-executive Director and the members of Audit Committee, the Nomination Committee and the ESG Committee with effect from 20 August 2025.*

Continuing Professional Development

Each newly appointed Director has received comprehensive, formal and tailored induction on appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities under the Listing Rules, legal and other regulatory requirements. The Company provides regular updates to the Directors relating to the Group's business and the business and regulatory environments in which the Group operates.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During 2025, the Directors had attended seminars and/or training sessions, and had read materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements. The Board considered the continuous professional development participated and undertaken by the Directors are sufficient to discharge their duties. The table below summarises the participation of each of the directors in continuous professional development during the year ended 31 December 2025:

	Reading Materials	Attending Seminars/ Webinars
Executive Directors		
Dr. Zhang Lijun	✓	✓
Mr. Peng Xitao	✓	✓
Independent Non-executive Directors		
Mr. Zang Dongli	✓	✓
Ms. Liu Haoming	✓	✓
Mr. Zhou Jingping <i>(Note 1)</i>		
Ms. Zhang Xiaofen <i>(Note 2)</i>	✓	✓

Notes:

(1) Mr. Zhou Jingping was vacated from office on 29 December 2025.

(2) Ms. Zhang Xiaofen appointed as an independent non-executive Director on 20 August 2025.

The Directors have access to the advice and services of the Company Secretary and if necessary, have recourse to external professional advice at the Company's expense. Also, the Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Board Evaluation

The Company regards the evaluation of the Board and its committees as an essential component of its corporate governance framework and a practice aligned with the principles set out in the CG Code. Under the leadership of the Chairman and with support from the Joint Company Secretaries, an internal evaluation of the performance of the Board and its committees was conducted for the year 2025. Each Director completed a structured questionnaire designed to assess both quantitative and qualitative aspects of Board effectiveness, with the objective of ensuring that the Board continues to discharge its responsibilities to a high standard and identifying areas for further enhancement.

Evaluation Scope

The evaluation covered key areas of governance and oversight, including:

- Board composition, skills and Director engagement
- Board meetings and information flow
- Strategic planning, execution and oversight
- Corporate governance and compliance
- Relationship with the Chief Executive Officer and senior management

Evaluation Process

All responses were consolidated and analysed, with the findings presented to the Nomination Committee and subsequently to the Board in an aggregated and anonymised format. No individual comments or ratings were attributed to specific Directors. This approach is consistent with market practice in Hong Kong and is intended to preserve confidentiality, promote open and candid feedback, and reinforce a culture of trust within the Board.

Key Findings

Based on the evaluation, the Board concluded that its current governance practices remain effective and aligned with the expectations of the Hong Kong Listing Rules and the Corporate Governance Code. Directors provided positive feedback recognising:

- the Board's continued commitment to diversity, including the appointment of new Directors who broaden the mix of professional expertise and perspectives;
- the Group's efforts to enhance performance and resilience amid challenging and rapidly evolving market conditions.

The Board is satisfied that it has met its performance objectives for the Year. Each Director has contributed positively to the overall effectiveness of the Board and its committees, thereby supporting the Company's long-term development and governance standards.

Chairman and Chief Executive Officer

The CG Code requires the roles of Chairman and Chief Executive Officer be separated and not performed by the same individual to ensure there is a clear division of responsibilities between the running of the Board and the executives who run the business.

In accordance with the Bye-laws, the Board members elect among themselves a Director to be the Chairman. Dr. Zhang Lijun has been the Chairman since 8 December 2006. He is responsible for providing leadership to the Board in terms of establishing policies and business directions. Mr. Peng Xitao was appointed as Chief Executive Officer of the Company since 1 January 2021. He is responsible for daily operation, management and planning of the Group. The division of responsibilities between the Chairman and the Chief Executive Officer have been clearly established.

The Chairman had held one meeting with all independent non-executive Directors in the absence of executive Directors. Except for a general exchanges of ideas among the Directors, no specific or other issues had been raised or discussed as it had been concluded that all issues which would be discussed had been properly dealt with in the meetings of the Board.

Non-executive Directors

The Company believes that the independent non-executive Directors comprise a good mix of professional and business executives who have significant exposure to the business and accounting environment of Hong Kong and the PRC. The Board believes that such a group is ideally qualified to provide independent advice and guidance to the Board, to serve on the board committees and to act as independent stewards of the Company for the interests of the Shareholders.

During the year, the Company had complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors including at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company also complied with Rule 3.10A of the Listing Rules that the number of independent non-executive Directors represents at least one-third of the Board.

The Board evaluates the independence of all independent non-executive Directors on an annual basis pursuant to Rule 3.13 of the Listing Rules and the Board considers them to be independent.

The independent non-executive Directors have each entered into a service agreement with the Company for a specific term of three years, and they are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Bye-laws.

On 18 August 2025, Ms. Zhang Xiaofen obtained the requisite legal advice and confirmed that she understood her obligations as a director of a listed issuer.

Company Secretary

The Joint Company Secretaries are full time employees of the Company and have day-to-day knowledge of the Company's affairs. The Joint Company Secretaries reports to the Chairman and is responsible for advising the Board on corporate governance matters.

During the year, Mr. Chan Lap Chun Jason and Mr. Huang Ming Fung, the Joint Company Secretaries of the Company, confirmed that each of them had undertaken no less than 15 hours of relevant professional training.

Directors' Securities Transactions

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 year.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group.

Board Committees

To assist the Board in execution of its duties and facilitate effective management, certain functions of the Board have been delegated by the Board to the Audit Committee, Remuneration Committee, Nomination Committee, ESG Committee and Executive Committee. Written terms of reference of the aforesaid committees are in line with the Corporate Governance Code.

Audit Committee

The Audit Committee currently comprises all three independent non-executive Directors, namely, Ms. Liu Haoming (the chairlady), Mr. Zang Dongli and Ms. Zhang Xiaofen.

The Audit Committee provides the Board with advice and recommendations on accounting, reporting, internal control and risk management matters and acts as a formal liaison channel for review, communication and problem resolution between the Company and its auditors. The Audit Committee members collectively hold the relevant commercial, industry, financial and auditing experience necessary for the Audit Committee to function effectively and independently.

Corporate Governance Report

The Audit Committee's primary functions include:

- to recommend to the Board on the appointment and terms of engagement of the external auditor;
- to review and monitor the appropriateness of accounting policy, accounting practices, financial reporting and disclosure and the application of judgment and estimates related thereto;
- to review the Company's annual and interim reports and any opinion expressed by the external auditor;
- to ensure the Company's practices and procedures with respect to related party transactions are adequate for compliance with the requirements under the Listing Rules and applicable laws and regulations;
- to review with the external auditor issues raised in the external auditor's management letter, queries or similar communications;
- to monitor the external auditor's independence and objectivity, and the effectiveness of the audit process in accordance with applicable standards; and
- to assure that adequate internal controls including financial, operational, compliance controls, risk management and internal audit plan are in place and followed.

Three Audit Committee meetings were held during the year and the attendance of each member is set out in the section headed "Board Meetings and Attendance of Directors" of this report. During the year, the Audit Committee reviewed the audit plans with the external auditor for the year ended 31 December 2025, the audited financial statements for the year ended 31 December 2024 and the unaudited interim financial statements for the six months ended 30 June 2025 with recommendations to the Board for approval. The Audit Committee reviewed the continuing connected transactions according to the Rule 14A.55 of the Listing Rules and reviewed the letter from auditor regarding the provision of non-audit services to the Group. It also reviewed risk management, internal control system and internal audit plan of the Group, and discussed with the management and the external auditors the accounting policies and practices which may affect the Group and financial reporting matters. The Audit Committee has also actively participated at the full Board or any independent board committees formed from time to time for the purpose of advising the independent Shareholders of transaction(s) which require their input or contributing their independent views in the areas of business, financial, management and operating practices.

Remuneration Committee

The Remuneration Committee currently comprises two independent non-executive Directors, namely, Mr. Zang Dongli (the chairman) and Ms. Liu Haoming and one executive Director, namely, Dr. Zhang Lijun.

For determining the remuneration packages of the executive Directors and senior management, the Remuneration Committee has adopted the model that it shall perform an advisory role to the Board, with the Board retaining the final authority to approve the service contracts of the executive Directors and remuneration packages of the executive Directors and senior management. It recommends to the Board on the Company's policy and structure for all remuneration of the Board members and senior management, on the establishment of a formal and transparent procedure for developing policy on such remuneration and to determine specific remuneration packages for the Directors and senior management of the Company.

Three Remuneration Committee meetings were held during the year and the attendance of each member is set out in the section headed "Board Meetings and Attendance of Directors" of this report. During the year, the Remuneration Committee reviewed the remuneration policy, structure and packages for Directors and senior management; assessed the performance of the executive Directors; and made recommendations to the Board regarding the proposed adjustment of remuneration of an executive Director and the determination of proposed remuneration for an independent non-executive Director appointed during 2025.

The Company has adopted a remuneration policy which is summarised as below:

1. the level of remuneration should be appropriate to attract, retain and motivate the Directors and employees of the Group to run the Company successfully but companies should avoid paying more than is necessary for this purpose;
2. a significant proportion of executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance;
3. in setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Director and employee of the Group; and
4. individual Director would not be involved in deciding his/her own remuneration.

The details of remuneration payables to members of senior management by band are set out in note 12 to consolidated financial statements.

Nomination Committee

The Nomination Committee currently comprises an executive Director, namely, Dr. Zhang Lijun (the chairman) and three independent non-executive Directors, namely, Mr. Zang Dongli, Ms. Liu Haoming and Ms. Zhang Xiaofen.

The Nomination Committee is responsible for formulating and reviewing the nomination and Board's diversity policy, reviewing the size, structure and composition of the Board, assisting the board in maintaining a board skills matrix, making recommendations to the Board on nominations, appointment of Directors and Board succession with adequate consideration to the Board's diversity policy and supporting the Company's regular evaluation of the Board's performance. The Company endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective. The Nomination Committee adopts certain criteria to assist in its evaluation including but not limited to the candidate's gender, age, cultural and educational background, professional experience, business background, his past responsibility, exposure to the business environment in which the Group operates and intends to be engaged in and his experience including directorship or senior management level involvements with other entities, and his contribution or achievement to the Group. The Nomination Committee also assesses the independence of the independent non-executive Directors.

The Company has adopted a nomination policy which is summarised as below:

1. committed to maintaining its diversity within the Board, and confirms that its policy of non-discrimination in the selection of Directors;
2. regularly assess the Board's current and projected strengths and needs by, among other things, reviewing the Board's current profile, its Directors' qualifications and the Company's current and future needs;
3. adopts certain criteria to assist in its assessment or evaluation which included the candidate's academic, professional and business background, his/her past responsibility, exposure to the business environment in which the Group operates and intends to be engaged in and candidate's experience including directorship or senior management level involvements with other entities, and candidate's contribution or achievement to the Group; and
4. use any process it deems appropriate for the purpose of evaluating candidates which include, without limitation, personal interviews, background checks, written submissions by the candidates and third party references.

Two Nomination Committee meeting was held during the year and the attendance of each member is set out in the section headed "Board Meetings and Attendance of Directors" of this report. During the year, the Nomination Committee reviewed the nomination policy of Directors, the composition of the Board, the Board's diversity policy, the independence of the independent non-executive Directors; the re-election of all the retiring Directors at the 2025 Annual General Meeting; assessed each Director's time commitment and contribution to the Board, as well as the Directors' ability to discharge their responsibilities effectively; and made recommendations to the Board for the nomination of a proposed independent non-executive Director.

ESG Committee

The ESG Committee currently comprises an executive Director, namely, Mr. Peng Xitao (the chairman) and three independent non-executive Directors, namely, Mr. Zang Dongli, Ms. Liu Haoming and Ms. Zhang Xiaofen.

The primary functions of the ESG Committee are:

- to give recommendations about the Group's ESG strategies and identify significant ESG risks and opportunities;
- to monitor the effectiveness of ESG risk management;
- to monitor the ESG performance of the Group to ensure its compliance with legal, regulatory and investors' requirements and recommend to the Board;
- to review the ESG report;
- to develop and review the Company's policies and practices on corporate governance in compliance with legal and regulatory requirements;
- reviews the disclosure systems of the Company and introducing relevant principles concerning corporate governance so as to enhance the standard of corporate governance of the Company; and
- to take actions to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by the Listing Rules or any applicable law.

Two ESG Committee meetings were held during the year and the attendance of each member is set out in the section headed "Board Meetings and Attendance of Directors" of this report. During the year, the ESG Committee reviewed the policies and practices on ESG and corporate governance of the Group, approval of the ESG report and corporate governance report for 2024; reviewed the training and continuous professional development of the Directors and the senior management of the Company; and proposed engagement of an ESG consultant to provide consultancy services for 2025 ESG report.

Executive Committee

The Executive Committee currently consists of two executive Directors, being Dr. Zhang Lijun (the chairman) and Mr. Peng Xitao. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered to formulate and implement policies for human resources and administrative matters of the Group and to make such amendments thereto from time to time as the Executive Committee may think fit.

Board Diversity

The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage.

The Nomination Committee is mandated to formulate the Board's diversity policy for the Board's approval and review and assess its policy regularly.

A summary of the terms of the Board's diversity policy are as follows:

- to achieve diversity of the Board through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience;
- to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective;
- the Nomination Committee has primary responsibility for identifying suitably qualified candidates to become member(s) of the Board and, in carrying out this responsibility, will give adequate consideration to the Board's diversity policy; and
- the Nomination Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

Gender diversity of the Board stands at a relatively high level (40%, 2 female out of 5 Directors) amongst companies listed on Stock Exchange. The Board targets to maintain at least one female Director. The Board and the Nomination Committee will take opportunities to increase the proportion of female Director on the Board over time when selecting appropriate candidates.

Workforce Diversity

The Group has adopted a workforce diversity policy that recognises the significant benefits of a diverse workforce and is committed to promoting diversity and inclusion as core values. Diversity is broadly defined to include skills, regional and industry experience, background, race, gender, ethnicity, creed, religion, age, disability, sexual orientation, cultural background, and perspectives.

The Group strives to maintain a respectful, inclusive, and non-discriminatory work environment free from harassment, with particular emphasis on gender empowerment, equality, and diversity. It targets maintaining female representation at not less than 30% across the workforce. The male to female ratio of the Group's workforce (including senior management) as at 31 December 2025 was approximately 56%:44%.

The workforce diversity policy applies to all aspects of employment (including senior management of the Group), including recruitment, selection, training, professional development, compensation, performance evaluation, and career advancement. To support broader diversity (encompassing race and ethnicity, disability, LGBTQ+, social mobility, and age), the Group implements initiatives such as employee networks, equitable hiring practices, inclusive policies, awareness-raising events, and training on diversity and inclusion.

The ESG Committee oversees the implementation and progress of these principles, periodically reviewing the policy and recommending amendments to the Board to ensure its ongoing effectiveness.

C. AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Financial Reporting

The Board should present a balanced, clear and comprehensible assessment of the Company's performance, position and prospects. The Directors acknowledge that they are responsible for overseeing the preparation of accounts for each financial period, which give a true and fair view of the state of affairs of the Company and of the Group and of the Group's results and cash flow for that period. In preparing the accounts for the year ended 31 December 2025, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;
- approved adoption of all Hong Kong Financial Reporting Standards; and
- made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

The auditor's respective responsibilities to the Shareholders in respect of the financial statements are included in the "Independent Auditor's Report" section of this Annual Report.

Risk Management and Internal Control

The Board acknowledges its responsibility for the Group's risk management and internal control systems. The Board is entrusted with the overall responsibility for establishing and maintaining effective risk management internal control system for the Group and overseeing the risk management internal control system through the Group's internal audit department. In addition to the Board's oversight responsibilities, the Company has developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. The management of the Group is delegated with the responsibility from time to time to implement and maintain the Board's policies on risk management and internal control. Chief Risk Management Officer meets with various members of the senior management to review and assess risks and discuss solutions to address material internal control defects, including any changes relevant to a given year. Risks are compiled, ratings are assigned and mitigation plans are documented. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review. Such risks include, amongst others, material risks relating to ESG.

Risks are evaluated by the Board and the Group's senior management based on (i) the severity of the impact of the risk on the Company's business and financial results; and (ii) the probability that the risk will occur. Based on the risk evaluation, the Company will manage the risks as follows:

- Risk elimination – the Group's senior management may identify and implement certain changes or controls that in effect eliminate the risk entirely.
- Risk mitigation – the Group's senior management may implement a risk mitigation plan designed to reduce the likelihood, velocity or severity of the risk to an acceptable level.
- Risk retention – the Group's senior management may decide that the risk rating is low enough that the risk is acceptable for the Company and that no action is required. The risk would continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

Detailed procedures are developed by management for major business units. The Group's risk management and internal control system is designed to provide cost- effectiveness and reasonable protection, which safeguards the Group's assets and maintains the integrity of the accounting and reporting systems. The Group emphasises the appointment of qualified, experienced and capable individuals to carry out critical control functions and has put in place a system for effective segregation of key duties and responsibilities. The Board and the Audit Committee periodically evaluate major controls and risks and where necessary, retain external professional services to evaluate or seek improvements to the risk management and internal control system. The Board is delegated to ensure the adequacy of resources, staff qualification and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, as well as those relating to the Group's ESG performance and reporting. The Board has also adopted anti-corruption policy and whistleblowing policy, which are conducive to setting a healthy corporate culture and good corporate governance practices. The policies are available on the website of the Company.

The Group's internal audit department reviews our significant risk management and internal control measures on an on-going basis, aiming to monitor all our major businesses periodically. Overall, the internal audit department aims to provide the Board with reasonable assurance that the Group's risk management and internal control system is effective. However, the risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the year, the Audit Committee had reviewed effectiveness of the risk management and internal control systems of the Group on behalf of the Board. The review covered all material control areas including financial, compliance and risk management functions. The management of the Group has provided a confirmation to the Board on the effectiveness of these systems. The Board is satisfied that the Group has maintained sound and adequate risk management and internal controls in all major areas. Based on the results of the review and the confirmation, the Board confirms that the Group's risk management and internal control systems are appropriate and effective for the purposes of set out in Principle D2 of the CG Code.

Investment Risk Management and Internal Control Measures under the Investment Policy

The Company has established and implemented an investment policy together with its risk management and internal control measures to identify, evaluate and manage significant risks to investment which includes (1) defined risk limits, (2) counterparty risk and (3) liquidity management. The Board of Directors is responsible for the overall maintenance and oversight of effective risk management internal control system. The Company has established multi layered approval and oversight mechanism leveraging the support of the Chief Investment Officer, Chief Risk Management Officer, Financial Controller and the investment and finance departments of the Company for day-to-day execution while ensuring board accountability.

The risk management and internal control measures primarily include the following:

(1) Defined risk limits

The Board may set defined risk limits to the Company's investments that are limited by factors such as concentration/diversification of investment, geographical location, industry, investment type and liquidity that align with risk appetite and the prevailing geopolitical environment, macroeconomic sentiment and the business strategy of the Company. The Company adopts a review framework based on performance of the private equity funds and other liquid financial investment to manage the risks associated with the investment. For liquid financial investment (if any), the Company implements disciplined stop-loss mechanisms to limit downside risk.

(2) Counterparty Risk Management

Prior to entering any investment commitment, the Company's Chief Risk Management Officer and Chief Investment Officer are tasked with identifying, conducting due diligence and assessing the counterparty to present to the Board for consideration. The scope of the review and assessment covers areas such as identity, background of the counterparty and its shareholder and director as well as credibility such as credit rating, track record and legal proceedings.

(3) Liquidity Management

The Company takes the core business first approach and put its principal business at the forefront of liquidity management to meet its operation cash flow needs as well as its other financial obligations as and when they fall due. within the next 12 months. Annual and periodic liquidity assessment and forecast are conducted in line with the Company's strategic business development and the prevailing economic sentiment for the Board's consideration to ensure liquidity is managed.

The Group adopts a disciplined core-business-first capital allocation framework whereby all capital deployment decisions prioritize the Group's strategic development direction and strengthening of the Group's core operating businesses while preserving financial resilience and maximising long-term sustainable value. Annual capital expenditure and operating budgets are rigorously prepared by management and comprehensively reviewed and approved by the Board. This process ensures that resources are directed toward high-return organic growth initiatives, operational efficiency improvements, and strategic projects that enhance competitive positioning and profitability in the Group's core segments. Surplus cash beyond what is required for core business operation and working capital are retained at an optimal level primarily to serve as a buffer for contingencies and to seize attractive strategic opportunities as they arise.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the SFO and the Listing Rules that inside information should be announced immediately when it is the subject of a decision. The procedures and internal controls for the handling and disseminating inside information are as follows:

- the Group conducts its affairs with strict compliance with the disclosure requirement under the Listing Rules and the “Guideline on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong;
- the Group has implemented its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcement and its website; and
- the Group has strictly prohibited any unauthorised use of confidential or inside information.

Audit and Related Fees

During the year, the fees paid or payable to the Group's external auditor BDO Limited were as follows:

Audit service	HK\$1,338,000
Non-audit services	HK\$200,000

The audit services conducted by the external auditor mainly comprise of statutory audits and reviews for the Group and its certain subsidiaries. The non-audit services conducted by the external auditor mainly include the reporting on the Group's continuing connected transactions, and agreed-upon procedures on the Group's interim financial information.

D. SHAREHOLDERS' RIGHTS

Right to Convene a Special General Meeting

Pursuant to the Bye-laws, special general meetings shall also be convened on requisition as provided by the Companies Act of Bermuda. The Directors, notwithstanding anything in the Bye-laws shall, on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Company, and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Right to Put Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board with contact details as below:

Investor Relations

Crazy Sports Group Limited

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

Telephone: (852) 2869 8966

Fax: (852) 2869 8960

E-mail: ir@crazysports.com.hk

Upon receipt of the enquiries, the staff of the investor relations department will consider the concern proposed and raise it to the Joint Company Secretaries.

Right to Put Forward Proposals at General Meetings

Pursuant to the Companies Act of Bermuda, any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition a right to vote at the meeting to which the requisition relate or not less than one hundred members of the Company may deposit a written requisition to put forward proposals.

The Company shall then give to members of the Company entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; circulate to members entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

E. SHAREHOLDERS ENGAGEMENT

All of the Shares are ordinary shares carrying equal voting rights. The Company attaches great priority to open and effective communications with its shareholders and potential investors on the development of the Company. The Company has established a shareholders' communication policy (available on the Company's website) to ensure shareholders are provided with ready equal and timely access to balanced and understandable information about the Company. The Board reviews it on a regular basis to ensure its effectiveness and is satisfied that the shareholders' communication policy has been properly implemented during 2025 and is effective.

The Company maintains a website through which the Company's updated financial information, announcements, circulars, notices of meetings, press releases and contact details can be accessed by its Shareholders and investors. The Board believes that the Company's website provides an alternative means for the investing public to obtain information of the Company in a convenient and timely manner.

The Directors regard all meetings with the Shareholders to be very important as they offer opportunities for direct communication with the Shareholders. When appropriate, presentations would be made at general meetings for the purposes of keeping Shareholders informed of corporate developments. The chairman of the Board and the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee, ESG Committee as well as the Company's auditor provided an opportunity for a dialogue with the Shareholders during the last Annual General Meeting held on 8 May 2025.

In addition, key executives of the Company also participate in conferences and forums with the objective of promoting investor and stakeholder interests in the Group's businesses.

Dividend Policy

The Company endeavours to enhance returns on Shareholders' investment by way of, inter alia, distribution of dividends. The Board adopted a dividend policy on 22 March 2019 to enhance transparency on such and to provide guidance to Shareholders and investors in their investment decisions.

According to the dividend policy, the Board will consider a number of factors in deciding whether any dividend will be declared and the amount thereof. The factors include, but not limited to:

1. the prevailing and expected financial results of the Group;
2. the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
3. the Company's business operation strategy, including expected working capital requirements, capital expenditure requirements and future expansion plans;
4. the Company's liquidity position;
5. retained earnings and distributable profit reserves of the Company;
6. the contractual restrictions on the payment of dividends imposed by the Company's lenders and other institutions, if any; and
7. any other factors that the Board considers to be applicable from time to time.

The Company does not have any pre-determined dividend distribution proportion or ratio.

The declaration, payment and amount of dividends will be subject to the Board's discretion. All dividend decisions made by the Board were made in accordance with the dividend policy. The Board will review the dividend policy on a regular basis.

The Board has resolved not to declare any dividend for the year ended 31 December 2025. The Board confirms that the dividend decision was made in accordance with the dividend policy. In reaching this decision, the Board has carefully considered the Company's financial position and taken into account the Group's ongoing reinvestment requirements for its business. The Board is of the view that reinvesting cash into the Group's operations will deliver greater long-term value to the Shareholders than the payment of dividends in the near term. Further details of the Group's business strategies are set out in the section headed "Management Discussion and Analysis" of this annual report.

F. CONSTITUTIONAL DOCUMENTS

The Bye-laws are published on the respective websites of the Stock Exchange and the Company. During the year, there was no change in the Company's constitutional documents.

Directors' Report

The Directors are pleased to present this Annual Report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The Group is a leading digital sports entertainment community operator in China. It is principally engaged in the development and operation of paid sports information platform, sports quizzing platform, sports event operations, 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 (the “Digital sports entertainment business”).

The business review of the Group for the year ended 31 December 2025, as well as further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the “Management Discussion and Analysis” set out on pages 6 to 25 of this Annual Report. The discussions forms part of this Directors’ Report.

Details of the Company’s principal subsidiaries and associates at 31 December 2025 are set out in notes 32 and 18 to the consolidated financial statements, respectively.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 and the Group’s financial position at that date are set out in the Group’s consolidated financial statements on pages 115 to 196 of this Annual Report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025.

The dividend policy of the Company is set out on page 75 of this Annual Report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 197 of this Annual Report. This summary is for information only and does not form part of the audited financial statements.

FIXED ASSETS

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and Share Options during the year, together with explanations thereof, are set out in notes 27 and 29 to the consolidated financial statements respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 28 to the consolidated financial statements and page 119 of this Annual Report respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have any distributable reserves (2024: Nil). The Company's share premium account in the amount of HK\$1,771,496,000 (2024: HK\$1,771,496,000) may be distributed in the form of fully paid bonus shares.

MAJOR SUPPLIERS AND CUSTOMERS

The customers of the Group consist of numerous individual paying users who purchase in-game currency, in-game virtual items or premium features of our games and applications. Our customer is defined as any If a paying user makes a payment in our games on two publishing platforms or two different games, the paying user would be considered as two separate paying users and so on and so forth. Furthermore, the Company only has access to the total sum of the payments made by paying users through third-party distribution platforms, without further breakdown. Customers also include (a) third-party game operators with whom we licensed our games to for publishing our games in other geographic regions in consideration of license fees and royalties; (b) game developers/operators whom we provided publishing services in return for service fees; (c) advertising agencies of our games and applications; and (d) lottery centres whom we provided sales services of lottery tickets.

During the year ended 31 December 2025, so far as the Company is aware, the revenue attributable to our five largest customers accounted for approximately 30.8% of the Group's total revenue for the year and revenue from the largest customer accounted for approximately 12.8% of the Group's total revenue for the year. Purchases from the Group's five largest suppliers accounted for approximately 80.6% of the Group's total purchases for the year and purchase from the largest supplier accounted for approximately 21.0% of the Group's total purchases for the year.

Save as disclosed in this Annual Report and so far as the Directors are aware, none of the Directors, or any of his/her close associates or shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital), had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

The Directors during the year and up to the date of this Annual Report have been:

Executive Directors:

Dr. Zhang Lijun (*Chairman*)

Mr. Peng Xitao

Independent Non-Executive Directors:

Mr. Zang Dongli

Mr. Zhou Jingping (vacated from office on 29 December 2025)

Ms. Liu Haoming

Ms. Zhang Xiaofen (appointed on 20 August 2025)

In accordance with the Bye-laws, at each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company or until the next following Annual General Meeting and shall then be eligible for re-election at that meeting.

DIRECTORS (Continued)

Mr. Peng Xitao and Ms. Liu Haoming shall retire from office by rotation. Mr. Peng Xitao and Ms. Liu Haoming, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting ("2026 AGM"). Ms. Zhang Xiaofen, who was appointed as an independent non-executive Director with effect from 20 August 2025, shall hold office until the 2026 AGM and, being eligible, will offer herself for re-election.

The Company has reviewed the independence of each independent non-executive Director and received from each independent non-executive Director an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Board considers them to be independent.

CHANGES IN INFORMATION WITH REGARDS TO DIRECTORS

The change in the information of the Director, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is as follows:

Pursuant to the amended Director's service agreement entered into between Dr. Zhang Lijun, the Chairman of the Board, and the Company, he is entitled to the Director's emolument of HK\$4.8 million per annum, with effect from 1 September 2025. The Director's emolument was determined by the Board as recommended by the Remuneration Committee with reference to the prevailing market conditions and business development of the Group.

Ms. Zhang Xiaofen has been appointed as an independent non-executive Director, a member of the Audit Committee, the Nomination Committee and the ESG Committee with effect from 20 August 2025.

Mr. Zhou Jingping has vacated the office as an independent non-executive Director and ceased to be a member of the Audit Committee, the Nomination Committee and the ESG Committee with effect from 29 December 2025. Pursuant to article 97(A)(iii) of the bye-laws of the Company, Mr. Zhou has been vacated his office since he has been absent from meetings of the Board for more than six consecutive months without special leave of absence from the Board and has not appointed any alternate Director to attend such meetings of the Board in his stead.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has entered into any service contract, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

SHARE OPTION SCHEMES

2022 Scheme and 2012 Scheme

On 26 May 2022, the Shareholders at the AGM approved the 2022 Scheme. 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 31 December 2025, a total of 10,000,000 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.

The 2022 Scheme is effective for the period from 30 May 2022 to 29 May 2032. The total number of Shares which may be allotted and issued upon exercise of all Share Options (excluding Share Options which have lapsed in accordance with the terms of the 2022 Scheme) to be granted under the 2022 Scheme must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the 2022 Scheme provided that, inter-alia, the Company may seek approval of the Shareholders at general meeting to refresh the limit of 2022 Scheme. The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Share Options granted and yet to be exercised under the 2022 Scheme and the 2012 Scheme shall not exceed 30% of the share capital of the Company in issue from time to time.

A summary of the principal terms of the 2022 Scheme is given below:

(I) Purpose of the 2022 Scheme:

The purpose of the Share Option Scheme is to enable the Group to grant Share Options to the eligible participants as incentives or rewards for their contribution to the Group.

(II) Participants of the 2022 Scheme:

The Directors may, in accordance with the provisions of the 2022 Scheme, at their absolute discretion invite any person belonging to any of the following classes of participants to take up Share Options to subscribe for Shares:

- a. any employee, executive (including any executive Director but excluding any non-executive Director), manager, consultant or proposed employee, manager, consultant of the Company, any of its subsidiaries, any Holding Company or any Invested Entity;
- b. any non-executive Directors (including independent non-executive Directors), any Subsidiary, any Holding Company or any Invested Entity;
- c. any supplier of goods or services to any member of the Group or any Holding Company or any Invested Entity;
- d. any customer of the Group or any Holding Company or any Invested Entity;

SHARE OPTION SCHEMES (Continued)

2022 Scheme and 2012 Scheme (Continued)

(II) *Participants of the 2022 Scheme: (Continued)*

- e. any person or entity that provides research, development or other technological support to the Group or any Holding Company or any Invested Entity;
- f. any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- g. any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Holding Company or any Invested Entity; and
- h. any joint venture partner or business alliance that co-operates with any member of the Group or any Holding Company or any Invested Entity in any area of business operation or development.

(III) *Total number of Shares available for issue under the 2022 Scheme and percentage of issued share capital it represents as at the date of this Annual Report:*

The total number of Shares available for issue under the 2022 Scheme was 406,613,544 Shares after the subsequent grants of Share Options, representing approximately 8.98% of the issued share capital as at the date of this Annual Report.

(IV) *Maximum entitlement of each participant under the 2022 Scheme:*

The total number of Shares issued and which may fall to be issued upon exercise of the Share Options (including both exercised or outstanding Share Options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being unless it is approved by Shareholders at general meeting of the Company with such grantee and his associates abstaining from voting. Where any grant of Share Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be allotted and issued upon exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million; such further grant of Share Options must be approved by Shareholders at general meeting of the Company.

(V) *The period within which the Share Options may be exercised by the grantee under the 2022 Scheme:*

The period within which the Share Options may be exercised will be specified by the Company at the time of grant. This period shall not be more than 10 years from the relevant date of grant.

SHARE OPTION SCHEMES (Continued)

2022 Scheme and 2012 Scheme (Continued)

(VI) The vesting period of the Share Options granted under the 2022 Scheme:

The Company may specify any vesting period for which an Share Option must be held before it can be exercised at the time of grant of the Share Options. The 2022 Scheme does not stipulate either a minimum period for which a Share Option must be held or any performance targets a grantee is required to achieve before a Share Option can be exercised. The Board may however specify in the offer of grant of a Share Option the minimum period, if any, for which a Share Option must be held or performance targets, if any, that must be achieved before the Share Option can be exercised.

(VII) The amount payable on application or acceptance of the Share Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of a Share Option within such time specified in the offer (which shall be within 10 business days from the date of the grant).

(VIII) The basis of determining the exercise price of Share Options granted:

The exercise price under the 2022 Scheme shall be a price determined by the Directors but shall not be less than the highest of:

- a. the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trades in one or more board lots of shares on the date of the offer of grant which must be a business day;
- b. the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trades in one or more board lots of shares for the five business days immediately preceding the date of the offer of grant which must be a business day; and
- c. the nominal value of a Share.

(IX) The remaining life of the 2022 Scheme:

The life of the 2022 Scheme is 10 years commencing from 30 May 2022. As at 31 December 2025, the remaining life of the 2022 scheme is 6.42 year.

SHARE OPTION SCHEMES (Continued)

Share Options were granted by the Company during the year ended 31 December 2025 under the 2022 Scheme. Details of the movement of the Share Options for the year ended 31 December 2025 are set out below and in note 29 to the consolidated financial statements.

2025

	Number of Shares issuable under Share Options					Exercise price HK\$	Vesting year	Exercise year
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	At end of year			
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	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
	4,000,000	-	-	(2,000,000)	2,000,000			
Sub-total	5,000,000	-	-	(2,000,000)	3,000,000			
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)

2025 (Continued)

	Number of Shares issuable under Share Options					Exercise price HK\$	Vesting year	Exercise year
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	At end of year			
Employee 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	13,180,000	-	-	-	13,180,000	0.570	-	05/07/2022 to 04/07/2027
- on 12 December 2023	27,000,000	-	-	(27,000,000)	-	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
Sub-total	72,180,000	-	-	(55,000,000)	17,180,000			
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			
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	-	-	(14,000,000)	2,000,000			
Total	97,180,000	-	-	(74,000,000)	23,180,000			

SHARE OPTION SCHEMES (Continued)

2025 (Continued)

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" category consists of former Directors.*
- (iii) During the year ended 31 December 2025, none of the participant 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) 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 year was 406,613,544 and at the end of the year was 406,613,544, respectively.*

Additional information in relation to the 2022 Scheme is set out in note 29 to the consolidated financial statements.

SHARE OPTION SCHEMES (Continued)

Details of the movement of the Share Options for the year ended 31 December 2024 are set out below.

2024

	Number of Shares issuable under Share Options				At end of year	Exercise price HK\$	Vesting year (note v)	Exercise year
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year				
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	12/12/2023 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)

2024 (Continued)

	Number of Shares issuable under Share Options				At end of year	Exercise price HK\$	Vesting year (note v)	Exercise year
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year				
Employee 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	-	-	(2,820,000)	13,180,000	0.570	-	05/07/2022 to 04/07/2027
- on 12 December 2023	28,000,000	-	-	(1,000,000)	27,000,000	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
Sub-total	76,000,000	-	-	(3,820,000)	72,180,000			
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			
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	-	-	(3,820,000)	97,180,000			

SHARE OPTION SCHEMES (Continued)

2024 (Continued)

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" category consists of former Directors.*
- (iii) *During the year ended 31 December 2024, none of the participant 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) *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 year was 406,613,544 and at the end of the year was 406,613,544, respectively.*
- (v) *Excluding the Share Options lapsed due to resignation of employee participants, a total of 29,000,000 Share Options granted on 12 December 2023 are vested on 12 December 2024, which is the first anniversary of the date of grant. The Share Options vested may be exercisable during the period from 12 December 2024 to 11 December 2025.*

Additional information in relation to the 2022 Scheme are set out in note 29 to the consolidated financial statements.

SHARE OPTION SCHEMES (Continued)

Easy Prime Share Option Scheme

On 21 May 2020, the Shareholders at the 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. Easy Prime Share Option Scheme is governed by the Chapter 17 of the Listing Rules.

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.

In addition, for so long as Easy Prime remains a subsidiary of the Company:

1. Any grant of options under the relevant scheme to any Director, chief executive or substantial Shareholder or any of their respective associates shall also be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed grantee of the option).
2. Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the shares which may be issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under such scheme in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of Easy Prime and having an aggregate net asset value, assuming such options were exercised and based on the latest audited accounts of Easy Prime, in excess of HK\$5 million, such grant of options shall be subject to prior approval by the Shareholders (voting by way of poll). All connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

SHARE OPTION SCHEMES (Continued)

Easy Prime Share Option Scheme (Continued)

3. The renewal of the Scheme Mandate Limit and the granting of options exceeding any stipulated limits under the Easy Prime Share Option Scheme shall be subject to the approval by the Shareholders in general meeting for so long as Easy Prime remains a subsidiary of the Company.
4. Any alteration of the rules of the scheme to the advantage of the grantees shall comply with the requirements under the Listing Rules and also be subject to the approval by the Shareholders.

A summary of the principal terms of the Easy Prime Share Option Scheme is given below:

(I) Purpose of the Easy Prime Share Option Scheme:

The purpose is to enable Easy Prime to grant its share options to the eligible participants as incentives or rewards for their contribution to Easy Prime as well as the Group.

(II) Participants of the Easy Prime Share Option Scheme:

The board of directors of Easy Prime may, in accordance with the provisions of the Easy Prime Share Option Scheme, at their absolute discretion invite any person belonging to any of the following classes of participants to take up Easy Prime Options to subscribe for Easy Prime Shares:

- a. any employee, executive (including any executive director but excluding any non-executive director), manager, consultant or proposed employee, manager, consultant of Easy Prime and its subsidiaries and the Group;
- b. any non-executive director (including independent non-executive director) of Easy Prime Group and the Group;
- c. any supplier of goods or services to any member of the Easy Prime Group;
- d. any person or entity that provides research, development or other technological support to the Easy Prime Group; and
- e. any company wholly owned by one or more persons belonging to any of the above classes.

(III) Total number of shares available for issue under the Easy Prime Share Option Scheme as at the date of this Annual Report:

The total number of shares available for issue under the Easy Prime Share Option Scheme is 5,000 shares.

SHARE OPTION SCHEMES (Continued)

Easy Prime Share Option Scheme (Continued)

(IV) Maximum entitlement of each participant under the Easy Prime Share Option Scheme:

The total number of shares issued and which may fall to be issued upon exercise of the Easy Prime Options (including both exercised or outstanding Easy Prime Options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Easy Prime for the time being unless it is approved by Shareholders at general meeting of the Company with such grantee and his/her associates abstaining from voting. Where any grant of Easy Prime Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the shares issued and to be allotted and issued upon exercise of all Easy Prime Options already granted and to be granted (including Easy Prime Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of Easy Prime and having an aggregate net asset value, assuming such Easy Prime Options were exercised and based on the latest audited accounts of Easy Prime, in excess of HK\$5 million, such grant of Easy Prime Options shall be subject to prior approval by the Shareholders (voting by way of poll). All connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his/her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

(V) Period within which the option may be exercised by the grantee under the Easy Prime Share Option Scheme:

The period within which the share options may be exercised will be specified by the Company at the time of grant. This period shall not be more than 10 years from the relevant date of grant.

(VI) The vesting period of options granted under Easy Prime Share Option Scheme:

Easy Prime Share Option Scheme does not stipulate either a minimum period for which an Easy Prime Option must be held or any performance targets a grantee is required to achieve before an Easy Prime Option can be exercised. The board of directors of Easy Prime may however specify in the offer of grant of a Easy Prime Option the minimum period, if any, for which a Easy Prime Option must be held or performance targets, if any, that must be achieved before the Easy Prime Option can be exercised.

(VII) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an Easy Prime Option within 28 days from the date of the grant.

SHARE OPTION SCHEMES (Continued)

Easy Prime Share Option Scheme (Continued)

(VIII) The basis of determining the subscription price per Easy Prime Share:

The Subscription Price shall be determined by the Easy Prime Board, taking into consideration the prevailing market condition, performance of Easy Prime and after having assessed the efforts, performance and/or future potential contribution of the Participant to the success of the business and operations of Easy Prime, which shall not be less than the par value of the Easy Prime Shares.

(IX) The remaining life of the scheme

The life of the Easy Prime Share Option Scheme is 10 years commencing from 21 May 2020. As at 31 December 2024, the remaining life of the Easy Prime Share Option Scheme is 4.39 years.

No Easy Prime Option has 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 year was 5,000 and at the end of the year was 5,000, respectively.

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

As at 31 December 2025, the Directors and chief executive had the following interests in the shares, underlying shares and debentures 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 <i>(Note)</i>	22.86%	1,000,000	0.02%
Peng Xitao	Beneficial owner	55,810,000	1.23%	2,000,000	0.04%

Note: As at 31 December 2025, Dr. Zhang Lijun 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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION (Continued)

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% in BOA under the SFO.

Save as disclosed herein, as at 31 December 2025, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Same as disclosed in the section above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Except for those transactions set out in note 34 to the consolidated financial statements, no Director had a beneficial interest in any material contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, other than the Directors whose interests are disclosed above, the Company was not aware of any person who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2025 are set out in note 34 to the consolidated financial statements contained herein.

The Company did not have any related party transaction which was subject to the reporting requirements under Chapter 14A of the Listing Rules for the year ended 31 December 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this Annual Report, none of the Directors are considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

CONTRACTUAL ARRANGEMENTS

1.A Particulars of Structured Contracts

Subsequent to the Restructuring in December 2020, the telemedia business of the Group was ceased and its related contractual arrangements were terminated.

The Group acquired a new business through acquisition of 100% interest in Easy Prime by the Company in November 2018. Through Easy Prime's wholly owned subsidiary WFOE entering into VIE Contracts with OPCO, pursuant to which the Group engages in the development and operation of online and/or mobile game applications, live-streaming platforms and online mobile interactive game applications, online information platforms and related products of sports nature in the PRC. Details of the principal licenses held by OPCO are set out on page 35 in the 2018 Circular.

OPCO agreed to engage WFOE as the exclusive service provider to provide OPCO with the Services.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

Pursuant to the Restructuring in 2020, New VIE Contracts was entered into between WFOE and Hainan Jinyi and Mr. Peng Xitao (collectively as PRC Equity Owners) on 31 December 2020, pursuant to which the Group engages in the development and operation of online and/or mobile game applications, live-streaming platforms and online mobile interactive game applications, online information platforms and related products of sports nature in the PRC.

During the term of the Exclusive Business Cooperation Agreement, without the prior written consent of WFOE, OPCO was not allowed to engage or co-operate with any third party for the provision of the same or similar Services.

Principal terms of each of the New VIE Contracts are set out as follows:

(1) Exclusive Business Cooperation Agreement

Parties: (i) WFOE; and

(ii) OPCO.

Subject matter: OPCO agrees to engage WFOE as the exclusive service provider to provide OPCO with the Services.

During the term of the Exclusive Business Cooperation Agreement, without the prior written consent of WFOE, OPCO is not allowed to engage or cooperate with any third party for the provision of the same or similar Services.

OPCO agreed to pay 100% of its net income to WFOE as a fee for the Services on a quarterly basis.

Term: The Exclusive Business Cooperation Agreement shall take effect from the date of its execution, until any of the following circumstances occur:

- (i) WFOE proposes in writing to terminate the Exclusive Business Cooperation Agreement;
- (ii) under applicable PRC laws and regulations, WFOE exercises its call option under the exclusive Call Option Agreement, pursuant to which it acquired all the equity interests of OPCO; or
- (iii) under applicable PRC laws and regulations, WFOE is allowed to register itself as the shareholder of OPCO and operate the businesses of OPCO.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

(2) Exclusive Call Option Agreement

- Parties:
- (i) WFOE;
 - (ii) OPCO; and
 - (iii) The PRC Equity Owners.

Subject matter: OPCO and the PRC Equity Owners irrevocably and unconditionally agree to grant exclusive call option to WFOE, pursuant to which WFOE may, to the extent permitted under applicable PRC laws and regulations, require:

- (i) the PRC Equity Owners to transfer entirely or partially their or their nominees' equity interests in OPCO to WFOE or its nominee insofar at the consideration of RMB10, or, unless another price is required by the relevant PRC authority. In such event, the PRC Equity Owners shall reimburse WFOE or its nominees any consideration paid by WFOE or its nominees to the PRC Equity Owners in surplus of the said consideration of RMB10; and
- (ii) OPCO to transfer entirely or partially their or their nominees' assets in OPCO to WFOE or its nominee insofar at the consideration of RMB10, or, unless another price is required by the relevant PRC authority. In such event, the PRC Equity Owners shall reimburse WFOE or its nominees any consideration paid by WFOE or its nominees to the PRC Equity Owners in surplus of the said consideration of RMB10.

In addition, without the prior written consent of WFOE, OPCO and the PRC Equity Owners, among other things:

- (i) shall not alter the registered capital of OPCO;
- (ii) shall not sell, transfer or mortgage any assets, businesses or incomes of OPCO;
- (iii) shall not enter into any merger, acquisition or investment by OPCO;
- (iv) shall not procure the declaration or actual distribution of any profits, bonus or dividend by OPCO; and
- (v) shall not enter into any agreement which will be in conflict with the Exclusive Call Option Agreement or the interests of WFOE under the Exclusive Call Option Agreement.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

(2) Exclusive Call Option Agreement (Continued)

Term: The Exclusive Call Option Agreement has an initial term of 10 years from the date of its execution and will be extended automatically, unless otherwise determined by WFOE or any of the following circumstances occur.

- (i) under applicable PRC laws and regulations, WFOE exercised its call option under the Exclusive Call Option Agreement, pursuant to which it acquired all the equity interests of OPCO; or
- (ii) under applicable PRC laws and regulations, WFOE is allowed to register itself as the shareholder of OPCO and operate the business of OPCO.

(3) Shareholders' Voting Right Entrustment Agreement

Parties:

- (i) WFOE;
- (ii) OPCO; and
- (iii) The PRC Equity Owners.

Subject matter: The PRC Equity Owners irrevocably agree to entrust WFOE all its voting rights in OPCO, including but not limited to the followings:

- (i) as the agent of the PRC Equity Owners, to convene and attend the shareholders' meetings of OPCO in accordance with the articles of association of OPCO;
- (ii) to represent the PRC Equity Owners and discuss, approve and exercise the voting rights at the shareholders' meetings of OPCO; and
- (iii) any other voting rights as authorized under the articles of association of OPCO.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

(3) Shareholders' Voting Right Entrustment Agreement (Continued)

The PRC Equity Owners agreed and confirmed that no prior consent from them is required for exercising the aforesaid voting rights.

In addition, the PRC Equity Owners irrevocably undertake, among other things, that they will neither, directly or indirectly (either on their own or through any other individual or legal entity), participate or engage in any main business which is or may be in competition with the business of OPCO or its associated company, or acquire or hold any such business, nor carry on any activities which may lead to any material conflict of interest between itself and WFOE.

Term: The Shareholders' Voting Right Entrustment Agreement shall take effect from the date of its execution, until any of the following circumstances occur:

- (i) the parties under the Shareholders' Voting Right Entrustment Agreement agree in writing to terminate the Shareholders' Voting Right Entrustment Agreement;
- (ii) under applicable PRC laws and regulations, WFOE exercises its call option under the Exclusive Call Option Agreement, pursuant to which it acquired all the equity interests of OPCO; or
- (iii) under applicable PRC laws and regulations, WFOE is allowed to register itself as the shareholder of OPCO and operate the businesses of OPCO.

(4) Equity Pledge Agreement

Parties: (i) WFOE;

(ii) OPCO; and

(iii) The PRC Equity Owners.

Subject matter: The PRC Equity Owners agree to pledge all of their equity interests in OPCO to WFOE to secure the performance of all their obligations and also the obligations of OPCO under the New VIE Contracts.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

(4) Equity Pledge Agreement (Continued)

If the PRC Equity Owners and/or OPCO breach any obligation under the New VIE Contracts, WFOE shall have the rights to, among others, dispose the pledged equity interests.

In addition, pursuant to the Equity Pledge Agreement, the PRC Equity Owners undertake to WFOE, among others, not to transfer their interests in OPCO and not to create any pledge thereon without prior written consent of WFOE.

The PRC Equity Owners shall register the equity pledge with the relevant authorities and provide the documentary proof of successful registration to WFOE within 30 business days from the date of the Equity Pledge Agreement.

Term: The Equity Pledge Agreement shall become effective upon registration of the equity pledge and shall remain binding until the PRC Equity Owners discharge all their obligations under the New VIE Contracts, or until any of the following circumstances occur:

- (i) under applicable PRC laws and regulations, WFOE exercised its call option under the Exclusive Call Option Agreement, pursuant to which it acquired all the equity interests of OPCO; or
- (ii) under applicable PRC laws and regulations, WFOE is allowed to register itself as the shareholder of OPCO and operate the businesses of OPCO.

(5) WFOE's undertaking

Parties: WFOE

Subject matters: WFOE undertakes that the authorizations under the Shareholders' Voting Right Entrustment Agreement will be granted to officers of the Company who are unrelated to the PRC Equity Owners.

Pursuant to the New VIE Contracts, the WFOE was able to control the finance and operation of the OPCO so as to obtain the economic interest and benefits from its business activities despite the lack of registered equity ownership. The Group had the right to consolidate the financial results of the OPCO Group in its consolidated accounts as if it were a subsidiary of the Group.

CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

As Mr. Peng Xitao is a partner of Hainan Jinyi and is an executive Director, this contractual relationship constitutes continuous connected transactions. The Company had applied and had been granted a waiver to such continuous connected transactions from the Stock Exchange on 5 February 2021 as disclosed in the announcement of the Company dated 9 February 2021.

In order to avoid any practical difficulties in enforcing the New VIE Contracts and to protect the assets and the operations of OPCO, the Limited Partners and their spouses have made an undertaking with principal terms as follows:

- A. Each of the Limited Partners and their spouses acknowledges and confirms that:
 - 1. the shareholders of OPCO are the Limited Partners (99%) and Mr. Peng Xitao (1%) who are nominated by WFOE; and
 - 2. the equity interests held by such Limited Partner in OPCO do not form part of his personal assets and his matrimonial assets jointly owned by him and his spouse.
- B. Each of the spouses of the Limited Partners unconditionally and irrevocably undertakes:
 - 1. not to take any action with the intent to interfere with the contractual arrangements, including making any claim that will give rise to hindrance over the performance of the Limited Partner's obligations under the New VIE Contracts;
 - 2. that no consent or authorisation is needed from his spouse in case the Limited Partner executes any legal document to perform, amend, or supplement the New VIE Contracts;
 - 3. to be bound by the New VIE Contracts and to waive any rights or entitlements to the equity interests of OPCO in the event that the spouse of the Limited Partner obtains any equity interests held by the Limited Partner in OPCO directly and/or through the Limited Partnership for any reason; and
 - 4. that the Limited Partner, his successor, guardian, creditor, spouse or any other person that may be entitled to assume rights in the equity interests in OPCO directly or through the Limited Partnership held by him upon his death, incapacity, divorce, bankruptcy or any circumstances that may affect his ability to exercise his shareholder's rights in OPCO and/or his rights as a limited partner in the Limited Partnership (where applicable), he will not, in any manner and in any circumstances, carry out any act that may affect or hinder the fulfilment of the spouse's obligations under the New VIE Contracts.

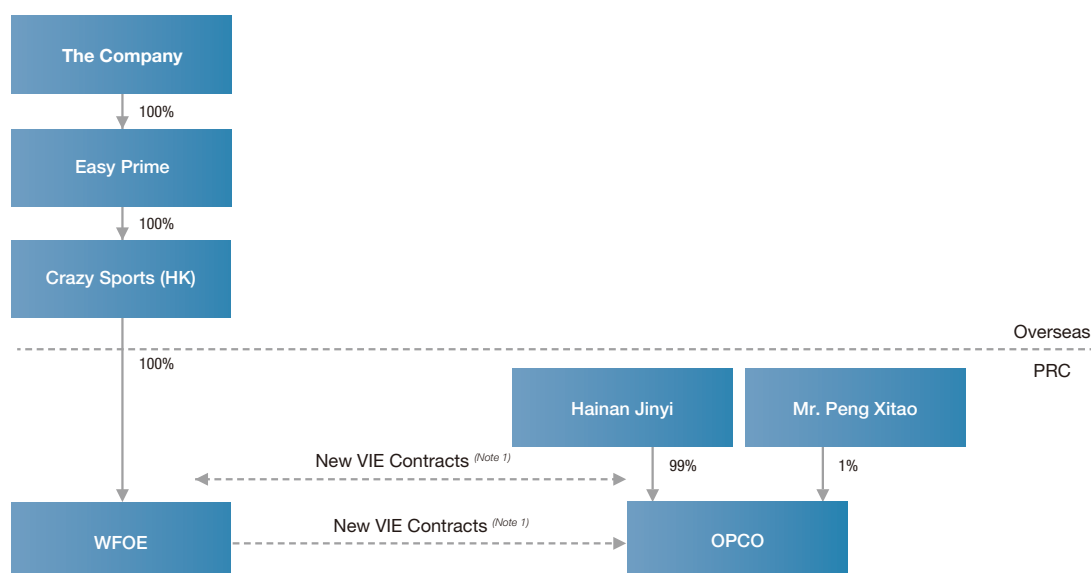
CONTRACTUAL ARRANGEMENTS (Continued)

1.A Particulars of Structured Contracts (Continued)

- C. Each of the Limited Partners irrevocably undertakes that:
1. he will not exercise shareholder's rights or entitlements to the equity interest in OPCO directly and/or through the Limited Partnership without the consent of WFOE;
 2. should any change occur in the marriage between the Limited Partner and his spouse, the Limited Partner shall inform WFOE of such change and provide the relevant documentary proof, so as to allow WFOE to act accordingly;
 3. without the consent of WFOE, the Limited Partner shall not agree to pledge, entrust, transfer or invest or transfer the equity interest in OPCO directly or through the Limited Partnership to any party other than WFOE; and
 4. if any Limited Partner becomes Resigning Partner, WFOE shall be entitled to retrieve the Resigning Partner's interest in the Limited Partnership and/or OPCO, WFOE shall then be entitled to nominate a new partner to replace the Resigning Partner and the death or incapacity or bankruptcy of the Resigning Partner shall not affect the operation and management of OPCO and WFOE's control over OPCO.

1.B Structured Contract Flowchart

Set out below is a chart outlining simplified shareholding structure under the New VIE Contracts.



CONTRACTUAL ARRANGEMENTS (Continued)

1.B Structured Contract Flowchart (Continued)

Note:

(1) *The New VIE Contracts arrangements through which the business of Easy Prime Group is operated as described in paragraph 1.A above.*

“-” *denotes shareholding relationship*

“...” *denotes contractual relationship*

2. Revenue and Assets Subject to the New Vie Contracts

For the year ended 31 December 2025, the revenue recorded by the Group arising from the New VIE Contracts relating to the Digital sports entertainment business amounted to HK\$315,950,000 (2024: HK\$411,392,000). The assets of the OPCO Group have been consolidated into the financial statements of the Group under the New VIE Contracts. The total assets of OPCO Group as at 31 December 2025 amounted to HK\$674,334,000 (2024: HK\$715,796,000).

3. The Extent to Which the Contractual Arrangements Relating to Requirements Other Than the Foreign Ownership Restriction

As advised by the Company's PRC legal advisers, according to the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024年版)) (the “Negative List”), the Company, as a foreign entity, is not allowed to hold any equity interests of OPCO under the current PRC laws. Although the current PRC laws do not expressly prohibit the establishment of VIE structures, the restrictive access and special investment prohibition management measures stipulated in the Negative List and relevant provisions in the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法) (the “Security Review”) must be complied with. In this respect, the Company's PRC legal adviser is of the opinion that:

- (a) the New VIE Contracts are legal, valid and binding on all contractual parties;
- (b) the New VIE Contracts would not be deemed as “concealing illegal intentions with a lawful form” or “civil legal acts carried out with false intentions” and void under the current PRC laws;
- (c) no approval from administrative authority is required for the execution of the New VIE Contracts;
- (d) Whilst VIE structures are within the scope of the Security Review, the business contemplated by the New VIE Contracts does not constitute foreign investment that affects or may affect national security and so it is not subject to security review; and
- (e) The Foreign Investment Law of the PRC (中華人民共和國外商投資法) and the Regulations for the Implementation of the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例) do not expressly provide for PRC domestic enterprise with VIE structures to be subject to the management of foreign invested enterprises.

CONTRACTUAL ARRANGEMENTS (Continued)

4. Reasons for the Contractual Arrangements and Associated Risks

Currently, the regulatory requirements of the Internet information services in the PRC does not allow foreign ownership in OPCO Group which is the holder of certain business licenses which can only be held by PRC legal entities. Accordingly, the arrangements contemplated under the New VIE Contracts did not involve direct investment by the Company in OPCO.

The New VIE Contracts were subject to the following risks during the year:

- (i) There can be no assurance that the New VIE Contracts will be deemed by the relevant governmental or judicial authorities to be in compliance with the existing or future applicable PRC laws and regulations, or the relevant governmental or judicial authorities may in the future interpret the existing laws or regulations with the result that the VIE Contracts will be deemed to be in compliance of the PRC laws and regulations;
- (ii) The Group relies on contractual arrangements under the New VIE Contracts with OPCO to operate the mobile game and applications business in the PRC. These contractual arrangements may not be as effective in providing the Group with control over OPCO as direct ownership;
- (iii) The Group's control over OPCO is based on the contractual arrangement under the New VIE Contracts. Therefore, conflict of interests of the PRC Equity Owners will adversely affect the interests of the Company;
- (iv) The New VIE Contracts may be subject to the scrutiny by the PRC tax authorities and additional taxes may be imposed;
- (v) The New VIE Contracts provides for dispute resolution by way of arbitration in accordance with the arbitration rules of the Arbitration Commission. Under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in OPCO in case of disputes;
- (vi) A substantial amount of costs and time may be involved in transferring the ownership of OPCO to the Group;
- (vii) The Company does not have any insurance which covers the risks relating to the New VIE Contracts and the transactions contemplated thereunder; and
- (viii) WFOE bears economic risks which may arise from difficulties in the operation of OPCO's business.

CONTRACTUAL ARRANGEMENTS (Continued)

4. Reasons for the Contractual Arrangements and Associated Risks (Continued)

The Group has adopted the following measures to ensure legal and regulatory compliance and implementation in respect of the New VIE Contracts:

- (i) the Group has appointed a board representative to the board of OPCO and set up a team stationing at OPCO monitoring the daily managerial and operational activities of OPCO. The representative submits monthly reviews of OPCO's operations to the Board;
- (ii) upon receiving notification of any major events of OPCO by the representative, the registered shareholders of OPCO must report to the Company Secretary of the Company, who must in turn report to the Board;
- (iii) the chief financial officer or financial controller of the Company shall conduct regular site visits to OPCO and conduct personnel interviews quarterly and submit reports to the Board;
- (iv) all seals, chops, incorporation documents and all other legal documents of OPCO must be kept at the office of WFOE;
- (v) the chief financial officer or financial controller of the Company shall collect monthly management accounts, bank statements and cash balances and major operational data of OPCO for review. Upon discovery of any suspicious matters, the chief financial officer or financial controller of the Company must report to the Board;
- (vi) when there is a delay of the payment of the service fees from OPCO to WFOE, the chief financial officer or financial controller of the Company must meet with the registered shareholders of OPCO to investigate, and should report any suspicious matters to the Board. In extreme cases, the registered shareholder(s) of OPCO will be removed and replaced;
- (vii) OPCO must submit copies of latest bank statements for all its bank accounts of OPCO within 15 days after each month end; and
- (viii) OPCO must assist and facilitate the Company to conduct quarterly on-site internal audit on itself.

5. Any Material Change in the New VIE Contracts and Unwinding of the New VIE Contracts

During the year ended 31 December 2025, except for the above mentioned, there was no material change in the New VIE Contracts, and/or the circumstances under which they were adopted, and none of the New VIE Contracts has been unwound as none of the restrictions that led to the adoption of New VIE Contracts has been removed.

MANAGEMENT CONTRACT

During the year ended 31 December 2025, no other contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered or existed.

CONTINUING CONNECTED TRANSACTIONS

The independent non-executive Directors had reviewed the continuing connected transactions according to the Rule 14A.55 of the Listing Rules and confirmed that the transactions had been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) on terms that are fair and reasonable and in the interests of the Company's Shareholders as a whole according to the agreement governing them. The transactions carried out during the year have been entered into in accordance with the relevant provisions of the New VIE Contracts and have been operated so that the consolidated profit generated by OPCO and its subsidiaries has been substantially retained by the Group, and no dividends or other distributions have been made by OPCO to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

The Company's auditors, BDO Limited, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited have issued a letter containing the findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. Nothing has come to their attention that causes them to believe that such transactions: (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant New VIE Contracts governing such transactions; and (iii) that dividends or other distributions made by OPCO to the holders of its equity interests were not otherwise subsequently assigned or transferred to the Group. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

EMOLUMENT POLICY

The Group remunerates the Directors and its staff primarily based on their contributions, responsibilities, qualifications and experience under the remuneration policy set up by the Remuneration Committee. The Group has implemented share option schemes as incentive to the Directors and eligible employees.

EMOLUMENTS OF DIRECTORS, SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors, the senior management and the five highest paid individuals in the Group are set out in notes 11, 12 and 34(b) to the consolidated financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

Throughout the year ended 31 December 2025, the Company has complied with the relevant laws and regulations that have significant impact on the operations of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to building an environmental-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. The Group also adheres to the principle of recycling and reducing. Double sided printing and copying, using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance are being implemented in the offices. For details on the Group's environmental policy, please refer to the Environmental, Social and Governance Report set out on pages 31 to 55 of this Annual Report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

For our relationship with employees, please refer to the paragraph headed "Employee and Remuneration Policies" as set out in the "Management Discussion and Analysis" on page 25 of this Annual Report. The Group also understands that it is important to maintain good relationships with customers, suppliers and other business partners to achieve its long-term goals. Accordingly, our senior management has kept good communication, promptly exchanged ideas and shared business updates with them when appropriate. During the year, there was no material and significant dispute between the Group and its customers, suppliers and other business partners.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified against all losses and liabilities which they may incur in connection with their duties. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public as at the date of this Annual Report.

DONATION

During the year, the Group made donations of total HK\$250,000.

Directors' Report

AUDIT COMMITTEE

The audited financial statements of the Group for the year ended 31 December 2025 has been reviewed by the Audit Committee. Information on the composition and the work of the Audit Committee is set out in the "Corporate Governance Report" section of this Annual Report.

AUDITOR

The financial statements have been audited by BDO Limited.

A resolution for the re-appointment of BDO Limited as auditor of the Company will be proposed at the 2026 AGM.

SUBSEQUENT EVENTS

No other matter has occurred that bears significant effect to the Group between the year end date and the date of this Annual Report.

On behalf of the Board

Mr. Peng Xitao

Chief Executive Officer

Hong Kong

26 March 2026

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF CRAZY SPORTS GROUP LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Crazy Sports Group Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 115 to 196, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill and intangible assets

Refer to notes 4(c), 4(f), 5, 16 and 17 in the consolidated financial statements.

The Group has goodwill with carrying amount of HK\$355,167,000 and intangible assets of HK\$122,103,000 respectively relating to the cash generating unit ("CGU") of digital sports entertainment business.

We focused on these areas due to the size of goodwill and intangible assets. Furthermore, the directors' assessment of the value-in-use calculation of the Group's CGU involves judgement and estimates about future results of the business, key assumptions including budgeted operating profit margins, discount rate and revenue growth rate applied to future cash flow forecast.

Our response:

Our procedures in relation to management's impairment assessment included:

- evaluating the competence, capability and objectivity of the management's expert;
- involving our internal valuation specialists to assist us in reviewing the recoverable amount calculation prepared by management's expert, in particular the underlying assumptions and methodology adopted;
- challenging the reasonableness of key assumptions adopted in the valuation, such as the discount rate, based on our knowledge of the business and industry and available market data; and
- reconciling input data to supporting evidence, such as latest financial forecasts approved by the management and considering the reasonableness of these forecasts.

KEY AUDIT MATTERS (Continued)**Valuations of financial assets at fair value through other comprehensive income (“FVOCI”) and at fair value through profit or loss (“FVTPL”)**

Refer to notes 4(g), 5, 19 and 37 in the consolidated financial statements.

Financial assets at FVOCI and FVTPL included investment funds which amounted to approximately HK\$60,237,000 and HK\$161,117,000 as at 31 December 2025, respectively.

The valuations of the investment funds carried at fair value had been determined by management with the assistance of an independent professional valuer. Such valuations involve the determination of the valuation models and the selection of different inputs and assumptions made in the valuation models by management and the independent professional valuer. Any changes in valuation models adopted and inputs and assumptions applied could lead to significant changes in amounts reported as fair value in the consolidated financial statements.

We identified valuations of financial assets at FVOCI and FVTPL as a key audit matter because the valuation of financial instruments without a quoted price in an active market is a complex area and involves a higher degree of estimation, uncertainty and judgement. These financial instruments are material to the Group.

Our response:

Our procedures on valuations of financial assets at FVOCI and FVTPL relating to investment funds included:

- evaluating the competence, capability and objectivity of the management's expert;
- involving our internal valuation specialists to assist us in assessing the valuation methodology applied on the financial assets;
- challenging the reasonableness of key assumptions in the valuation based on our knowledge; and
- reconciling input data used in the valuation to supporting evidence.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

LAI Cheuk Wai

Practising Certificate no. P07921

Hong Kong, 26 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	7	315,950	411,392
Cost of revenue		(242,440)	(266,090)
<hr/>			
Gross profit		73,510	145,302
Other gains and losses, net	8	(3,955)	17,941
Selling and marketing expenses		(64,973)	(115,820)
Administrative expenses		(36,515)	(45,368)
Reversal of/(provision for) expected credit loss on trade and other receivables		812	(6,388)
Impairment of goodwill	16	(48,426)	–
Written off of intangible assets	17	(37,110)	–
Impairment of interest in an associate		–	(6,223)
Share of results of an associate		–	(3,147)
Finance costs	9	(548)	(573)
<hr/>			
Loss before income tax	10	(117,205)	(14,276)
Income tax credit/(expense)	13(a)	112,426	(452)
<hr/>			
LOSS FOR THE YEAR		(4,779)	(14,728)
<hr/>			
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
– Exchange differences arising on translation to presentation currency	28(e)	33,258	(27,310)
– Fair value change on financial assets at fair value through other comprehensive income	37	(13,703)	(44,482)
<hr/>			
Other comprehensive income for the year, net of tax		19,555	(71,792)
<hr/>			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,776	(86,520)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		(4,868)	(14,718)
Non-controlling interests		89	(10)
		(4,779)	(14,728)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		14,582	(86,450)
Non-controlling interests		194	(70)
		14,776	(86,520)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic (HK cents)	14	(0.11)	(0.33)
– Diluted (HK cents)	14	(0.11)	(0.33)

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	15	474	594
Goodwill	16	355,167	385,500
Intangible assets	17	122,103	138,029
Interest in an associate	18	–	–
Financial assets at fair value through other comprehensive income	19	60,237	73,892
Financial assets at fair value through profit or loss	19	161,117	159,198
Right-of-use assets	20(a)	2,256	4,598
Deferred tax assets	26	1,712	1,216
Prepayments for purchase of intangible assets	22	7,346	7,027
		710,412	770,054
CURRENT ASSETS			
Trade receivables	21	86,258	82,815
Other receivables, deposits and prepayments	22	66,845	88,110
Financial assets at fair value through profit or loss	19	882	1,243
Amounts due from related companies	34(f)	3,605	1,165
Income tax receivables		178	–
Cash and cash equivalents	30(a)	43,819	24,358
		201,587	197,691
TOTAL ASSETS		911,999	967,745
CURRENT LIABILITIES			
Trade and other payables	23	128,357	93,814
Contract liabilities	24	15,099	10,983
Lease liabilities	20(b)	2,221	2,529
Amounts due to related companies	34(g)	38,715	37,584
Bank borrowings	25	16,685	15,960
Income tax payable		–	112,338
		201,077	273,208
NET CURRENT ASSETS/(LIABILITIES)		510	(75,517)
TOTAL ASSETS LESS CURRENT LIABILITIES		710,922	694,537

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Bank borrowings	25	5,562	–
Lease liabilities	20(b)	–	2,144
		5,562	2,144
NET ASSETS			
		705,360	692,393
EQUITY			
Share capital	27	45,262	45,262
Reserves		660,098	645,516
Equity attributable to owners of the Company		705,360	690,778
Non-controlling interests		–	1,615
TOTAL EQUITY		705,360	692,393

Zhang Lijun
Director

Peng Xitao
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company								Total
	Share capital (note 27) HK\$'000	Share premium (note 28(a)) HK\$'000	Investment revaluation reserve (note 28(b)) HK\$'000	Other reserves (note 28(c)) HK\$'000	Share-based compensation reserve (note 28(d)) HK\$'000	Exchange fluctuation reserve (note 28(e)) HK\$'000	Accumulated losses HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2024	45,262	1,771,496	(11,712)	1,059,408	4,551	(74,506)	(2,017,271)	1,685	778,913
Loss for the year	-	-	-	-	-	-	(14,718)	(10)	(14,728)
Other comprehensive income	-	-	(44,482)	-	-	(27,250)	-	(60)	(71,792)
Total comprehensive income for the year	-	-	(44,482)	-	-	(27,250)	(14,718)	(70)	(86,520)
Lapse of share options	-	-	-	-	(176)	-	176	-	-
At 31 December 2024	45,262	1,771,496	(56,194)	1,059,408	4,375	(101,756)	(2,031,813)	1,615	692,393
Loss for the year	-	-	-	-	-	-	(4,868)	89	(4,779)
Other comprehensive income	-	-	(13,703)	-	-	33,153	-	105	19,555
Total comprehensive income for the year	-	-	(13,703)	-	-	33,153	(4,868)	194	14,776
Elimination of non-controlling interest at de-registration of a subsidiary	-	-	-	-	-	-	-	(1,809)	(1,809)
Lapse of share options (note 29)	-	-	-	-	(2,311)	-	2,311	-	-
At 31 December 2025	45,262	1,771,496	(69,897)	1,059,408	2,064	(68,603)	(2,034,370)	-	705,360

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES		
Loss before income tax	(117,205)	(14,276)
Depreciation of property, plant and equipment	241	534
Depreciation of right-of-use assets	2,454	2,667
Amortisation of intangible assets	44,102	34,658
Written off of intangible assets	37,110	–
(Reversal of)/provision for expected credit losses on trade and other receivables	(812)	6,388
Impairment loss on goodwill	48,426	–
Impairment of interest in an associate	–	6,223
Share of results of an associate	–	3,147
Interest income	(13)	(123)
Interest expense	548	573
Fair value gain on financial assets at fair value through profit or loss	(1,558)	(13,333)
Operating cash flows before working capital changes	13,293	26,458
Decrease in trade receivables	1,463	15,841
Decrease in other receivables, deposits and prepayments	11,878	21,754
Increase in amounts due from related companies	(2,335)	(508)
Increase/(decrease) in trade payables	28,251	(1,178)
Increase in other payables	2,390	17,574
Increase/(decrease) in amounts due to related companies	1,131	(23)
Increase/(decrease) in contract liabilities	3,558	(30,590)
Effect of foreign exchange rate changes	7,670	(7,378)
Cash generated from operating activities	67,299	41,950
Income tax paid	(529)	(1,402)
Net cash generated from operating activities	66,770	40,548

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(98)	(109)
Purchases of intangible assets		(59,511)	(70,505)
Purchase of financial assets at fair value through other comprehensive income		–	(1,064)
Refund of capital to non-controlling interest at de-registration of a subsidiary		(334)	–
Dividend received		11,105	–
Interest received		13	123
Net cash used in investing activities		(48,825)	(71,555)
FINANCING ACTIVITIES			
Interest paid		(352)	(306)
Proceeds from bank borrowings		22,294	16,282
Repayment of bank borrowings		(16,856)	(19,538)
Repayment of lease liabilities		(2,761)	(2,911)
Net cash generated from/(used in) financing activities	<i>30(b)</i>	2,325	(6,473)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		20,270	(37,480)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		24,358	60,589
Effect of foreign exchange rate changes		(809)	1,249
CASH AND CASH EQUIVALENTS AT END OF YEAR	<i>30(a)</i>	43,819	24,358

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

Crazy Sports Group Limited (the “Company”) is a limited liability company incorporated in Bermuda. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. Its principal place of business in Hong Kong is located at Suites 3702–3, 37/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

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

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new or amended HKFRS Accounting Standards

Amendments to HKAS 21	Lack of Exchangeability
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Adoption of these amendments to HKFRS Accounting Standards had no material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

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

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

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

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

The Group is currently assessing the impact of these new or amended HKFRS Accounting Standards. Except for the below, these new or amended HKFRS Accounting Standards are preliminary assessed and are not expected to have significant impact on the Group's consolidated financial statements.

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

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

HKFRS 18, Presentation and Disclosure in Financial Statements (Continued)

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The adoption of HKFRS 18 will not affect the recognition or measurement of items in the consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirement on management-defined performance measures within the consolidated financial statements. So far, the Group considers that the impact of these new and amended standards on the Group's results of operations and financial position will not be material.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (collectively "HKFRS Accounting Standards") issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") including the disclosure provision of the Hong Kong Companies Ordinance.

(b) Basis of measurement

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

The preparation of consolidated financial statements in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

3. BASIS OF PREPARATION (Continued)

(c) Functional and presentation currency

The functional currency of the Company is Renminbi (“RMB”), while the consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which the Directors considered it is more relevant to the users of the financial statements. As the Company is listed on the Main Board of the Stock Exchange, the Directors consider that it will be more appropriate to continuously adopt Hong Kong dollars as the Group’s and the Company’s presentation currency.

4. MATERIAL ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive processes and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group’s previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRS Accounting Standards. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control of the subsidiary are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree over the fair value of the identifiable assets and liabilities measured as at the acquisition date.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(n)), and whenever there is an indication that the unit may be impaired.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	Over the remaining terms of the lease but not exceeding 5 years
Motor vehicles	5 years
Plant, machinery and equipment	5 years
Computer hardware and software	3–10 years
Furniture, fixtures and office equipment	5 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in HKFRS 16.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

Group as a lessee (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Intangible assets (other than goodwill)

(i) Intangible assets acquired separately and in a business combination

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in cost of revenue. The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period. Amortisation is provided on a straight-line basis over their useful lives as follows:

Purchased software and technology	10 years
License and platform	5 years
Copyrights and patents	2–10 years
Games and applications	3–10 years

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Intangible assets (other than goodwill) (Continued)

(ii) Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Intangible assets (other than goodwill) (Continued)

(iv) Impairment of intangible assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (note 4(n)).

(g) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend incomes are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECLs”) on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. ECLs are measured on either of the following bases:

- 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group measured loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, ECLs are based on lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12-months ECLs.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition.

In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECLs amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amounts due to related companies and bank borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Revenue for paid sports information platform

Revenue is derived principally from the paid sports information APP and related advertising services. The Group sells virtual currency to end users. The virtual currency will be reflected in the users' accounts in the Group's APP for their future subscription of the Group's paid sports article. Revenue is recognised at a point in time upon the users purchase an article in the APP. Receipts from the sales of virtual currency are deferred and recorded as "contract liabilities" (note 4(i)) in the consolidated statement of financial position. Membership income generated from the APP is recognised ratably over the membership period.

Advertising income is mainly derived from the display-based advertisements on the Group's platform for an agreed period of time. Revenue is recognised ratably over the agreed period of display.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Revenue recognition (Continued)

Revenue for sports and leisure games

The games published by the Group mainly comprise of cooperating mobile games.

The mobile games are operated under free-to-play model. Game players purchase game credits which are virtual currency for acquisition of in-game virtual items for better in-game experience. Prepaid game credits are sold through cooperation with various third-party game distribution platforms and payment channels. These game distribution platforms include major online application stores.

The Group and the cooperating party are responsible for hosting the mobile games, providing customers' services to game players, determining the selling price of the in-game token, selection of distribution and payment channels and preventing, detecting and resolving cheating and hacking activities. The Group has evaluated and determined that the Group and the cooperating party are the primary obligor in the rendering services to game players. Accordingly, the Group considers that the paying players as their customers and the game operation income reported in the consolidated financial statements are on gross basis for mobile games. Service charges by third-party distribution platforms and third-party payment channels are recorded as direct costs. Third-party distribution platforms and third-party payment channels collect the payment from the paying players and remit the cash net of commission charges which are pre-determined according to the relevant terms of the contract entered between the Group and the third-party distribution platforms or third-party payment channels.

The Group also generates revenue from licensing mobile games which are modified as localised version for the publication in other countries. The non-refundable fixed licensing fees are initially recorded as contract liabilities and subsequently recognised as revenue ratably over the license period as they considered to be right-to-access license arrangement. Sales-based royalty on licenses of mobile game are recognised upon the later of when the sale or usage occurs or the satisfaction of the related performance obligation.

Revenue for lottery related commission income

Revenue is recognised when the services are rendered over time as those services provide all of the benefits received and consumed simultaneously by the customer. The performance obligation is satisfied when the associate consumed the advertising and internet information services provided by the Group in their daily operations on the government lottery centres. The commission income for the services is charged at a fixed rate over the lottery sales. Invoices are issued on a monthly basis and are usually payable within 90 days. No significant financial component existed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Revenue recognition (Continued)

Revenue for sports events operation

Revenue from provision of services relating to sports events operation is recognised at a point in time when the events organisation services are completed according to the nature and terms of the contracts.

(i) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the group recognises the related revenue for revenue under mobile games and application segment (see note 4(h)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(j) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences, and
- Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Income taxes (Continued)

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

The Group has applied the mandatory exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes (i.e. income taxes arising from the jurisdictional implementation of OECD's Pillar Two model rules).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange fluctuation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange fluctuation reserve.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange fluctuation reserve.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Employee benefits

Defined contribution retirement plans

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. For forfeited contributions that are not vest fully, if any, may be used to reduce the existing level of contributions. The assets of the MPF Scheme are held separately from those of the Group in independently administered funds. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme. Prior to the MPF Scheme being effective, the Group did not have any pension arrangements for its employees.

The employees of the Group’s subsidiaries in the PRC are members of central pension schemes operated by the local governments in the PRC and these subsidiaries make mandatory contributions to these central pension schemes to fund the employees’ retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on certain percentages of the employees’ salaries cost in accordance with the relevant regulations in the PRC, and are charged to profit or loss as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the central pension schemes operated by the local governments in the PRC.

(m) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period with a corresponding increase in the share-based compensation reserve within equity.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- goodwill and other intangible assets;
- investments in subsidiaries and an associate.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probably will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(p) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent.

- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependents of that person or that person's spouse or domestic partner.

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For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In addition to information disclosed elsewhere in these consolidated financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31 December 2025, the carrying amount of goodwill and intangible assets are approximately HK\$355,167,000 and HK\$122,103,000, respectively.

(ii) Impairment of trade and other receivables

The Group makes allowance for impairment on trade and other receivables based on assumptions about risk of default and ECL rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.

(iii) Fair value measurement on financial assets

Certain financial assets included in the Group's financial statements require measurement at, and disclosure of, fair value. Further details of fair value measurement are disclosed in note 37.

6. SEGMENT REPORTING

(a) Reportable segments

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

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

For the year ended 31 December 2025, the Group has only one reportable operating segment which is the Digital sports entertainment business. Thus, no operating segments have been aggregated to form the above reportable operating segment.

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

(b) Geographical information

During 2025, over 95% (2024: over 95%) of the Group's revenue is attributable to customers in the PRC and over 90% (2024: over 90%) of the Group's total non-current assets, excluding financial instruments and deferred tax assets, are located in the PRC and the remaining non-current assets are located in Hong Kong.

(c) Major customers

Revenue from two (2024: nil) customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	40,287	*
Customer B	31,697	*
	71,984	—

* The corresponding customers did not contribute over 10% of total revenue of the Group in 2024.

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For the year ended 31 December 2025

7. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Digital sports entertainment business		
Paid sports information platform	198,486	258,764
Sports and leisure games	103,191	132,324
Lottery related commission income	10,086	12,358
Sports events operation	4,094	7,506
Digital collectibles platform	93	440
	315,950	411,392
Timing of revenue recognition		
At a point in time	68,044	122,257
Transferred over time	247,906	289,135
	315,950	411,392

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For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Fair value gain on financial assets at FVTPL	1,558	13,333
Net foreign exchange (losses)/gains	(5,613)	4,083
Government grants (<i>Note</i>)	23	109
Bank interest income	13	123
Others, net	64	293
	(3,955)	17,941

Note: For the years ended 31 December 2025 and 2024, the government grants are subsidies received from the PRC Government. The Group does not have other unfulfilled obligations relating to these programs.

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities (<i>note 20(b)</i>)	196	267
Interest on bank borrowings	352	306
	548	573

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For the year ended 31 December 2025

10. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
Staff costs (excluding directors' remuneration (<i>note 11</i>))		
– Salaries and wages	12,943	17,559
– Pension fund contributions	2,847	3,229
	15,790	20,788
Depreciation of property, plant and equipment included in administrative expenses (<i>note 15</i>)	241	534
Amortisation of intangible assets included in cost of revenue (<i>note 17</i>)	44,102	34,658
Depreciation of right-of-use assets included in administrative expenses (<i>note 20(a)</i>)	2,454	2,667
Auditor's remuneration		
– Audit service	1,338	1,338
– Non-audit service	200	200

11. DIRECTORS' REMUNERATION

	2025 HK\$'000	2024 HK\$'000
Directors' fees		
– Executive directors	4,070	7,920
– Independent non-executive directors	403	360
Basic remuneration, allowances and benefits in kind	6,127	6,126
Pension fund contributions	198	192
	10,798	14,598

11. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is disclosed as follows:

	Directors' fees HK\$'000	Basic remuneration, allowances, and benefits in kind HK\$'000	Pension fund contributions HK\$'000	Total HK\$'000
2025				
Executive directors				
Dr. Zhang Lijun	3,950	4,800	18	8,768
Mr. Peng Xitao	120	1,327	180	1,627
Independent non-executive directors				
Mr. Zang Dongli	120	–	–	120
Mr. Zhou Jingping ²	119	–	–	119
Ms. Liu Haoming	120	–	–	120
Ms. Zhang Xiaofen ¹	44	–	–	44
	4,473	6,127	198	10,798
2024				
Executive directors				
Dr. Zhang Lijun	7,800	4,800	18	12,618
Mr. Peng Xitao	120	1,326	174	1,620
Independent non-executive directors				
Mr. Zang Dongli	120	–	–	120
Mr. Zhou Jingping	120	–	–	120
Ms. Liu Haoming	120	–	–	120
	8,280	6,126	192	14,598

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For the year ended 31 December 2025

11. DIRECTORS' REMUNERATION (Continued)

Directors' remuneration is disclosed as follows: (Continued)

There were no arrangements under which a director waived or agreed to waive any remuneration for the year (2024: Nil). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year (2024: Nil).

1. Ms. Zhang Xiaofen was appointed as independent non-executive director on 20 August 2025.
2. Mr. Zhou Jingping vacated from office as independent non-executive director on 29 December 2025.

12. FIVE HIGHEST PAID EMPLOYEES

Of the five individuals with the highest emoluments in the Group, two (2024: two) were directors of the Company whose emoluments are included in the disclosures in note 11 above. The emoluments of the remaining three (2024: three) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic remuneration, allowances and benefits in kind	2,834	3,121
Pension fund contributions	54	210
	2,888	3,331

Their emoluments are within the following bands:

	2025 Number of employees	2024 Number of employees
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	–	1
Below HK\$1,000,000	2	1

12. FIVE HIGHEST PAID EMPLOYEES (Continued)

The emoluments paid or payable to members of senior management (excluding the directors of the Company) were within the following bands:

	2025 Number of employees	2024 Number of employees
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	–	–
Below HK\$1,000,000	3	3

13. INCOME TAX (CREDIT)/EXPENSE

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

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong profits tax for the year	–	–
– PRC enterprise income tax		
– Charge for the year	411	1,395
– (Over)/under provision in prior years	(305)	2
– Release of income tax provision (<i>Note</i>)	(112,094)	–
	(111,988)	1,397
Deferred taxation (<i>note 26</i>)	(438)	(945)
Income tax (credit)/expense	(112,426)	452

Note: It represents the reversal of provision for PRC income tax on capital gain from the disposal of a 42.94% equity interest in a subsidiary to an independent third party for a consideration of US\$297,964,000 (equivalent to approximately HK\$2,309,223,000) (the "Disposal") in August 2015. The provision of HK\$112,094,000 was estimated based on 10% of the capital gain from the Disposal. Details of the Disposal were set out in the Company's circular dated 30 June 2015.

From the date of Disposal to the date of this report, the PRC tax authority has not approached the Group in connection with the capital gain on the Disposal. The Company considered the tax authority's right on recovery of any tax within 10 years from the tax year in which a transaction arises has lapsed in accordance with the prevailing PRC tax laws. Therefore, the tax provision was reversed and credited to profit or loss during the year.

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13. INCOME TAX (CREDIT)/EXPENSE (Continued)

- (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents: (Continued)

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits arising in Hong Kong for both years ended 31 December 2025 and 2024. No provision was made for Hong Kong profits tax as the Group had no assessable profits in Hong Kong during the year.

The subsidiaries established in the PRC are subject to enterprise income tax ("EIT") at tax rates of 25% for both years ended 31 December 2025 and 2024, except:

- Beijing Crazy Sports Management Company Limited (北京瘋狂體育產業管理有限公司) which is recognised as a high-technology company according to PRC tax regulations and is entitled to a preferential tax rate of 15% for three years according to relevant existing PRC laws since 2023.
- Khorgos Crazy New Game Network Technology Company Limited ("Khorgos Crazy") (霍爾果斯瘋狂新遊網絡科技有限公司), a company incorporated as a limited liability company in Khorgos Special Region, Xinjiang, PRC. Pursuant to the tax exemption document and complied with PRC tax regulations, Khorgos Crazy is exempted from EIT for five years since the year ended 31 December 2017, followed by a 50% reduction in the applicable tax rates for the next five years commencing from the year ended 31 December 2022. Khorgos Crazy is entitled to a preferential tax rate of 12.5% for the years ended 31 December 2025 and 2024.
- 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. Khorgos Keris was dissolved in November 2025.

13. INCOME TAX (CREDIT)/EXPENSE (Continued)

- (b) The income tax (credit)/expense for the year can be reconciled to the accounting loss as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax	(117,205)	(14,276)
Taxation calculated at PRC EIT of 25% (2024: 25%)	(29,301)	(3,569)
Tax effect of non-taxable income	(1,620)	(4,387)
Tax effect of non-deductible expenses	18,558	2,219
Tax effect of share of results of an associate	–	519
Effect of lower tax rate applicable to subsidiaries as a result of preferential tax policies	4,515	(1,585)
Effect of tax rate in foreign jurisdictions	1,371	1,999
(Over)/under provision in prior years	(305)	2
Release of EIT	(112,094)	–
Tax effect of temporary difference not recognised	6,450	5,254
Income tax (credit)/expense for the year	(112,426)	452

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For the year ended 31 December 2025

14. 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

	2025 HK\$'000	2024 HK\$'000
Loss for the purposes of basic and diluted loss per share	(4,868)	(14,718)

Number of shares

	2025 '000	2024 '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

	2025 HK cents	2024 HK cents
– Basic	(0.11)	(0.33)
– Diluted	(0.11)	(0.33)

For the years ended 31 December 2025 and 2024, 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.

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For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Plant, machinery and equipment HK\$'000	Computer hardware and software HK\$'000	Furniture, fixtures, and office equipment HK\$'000	Total HK\$'000
Cost:						
At 1 January 2024	3,663	194	37	2,250	678	6,822
Additions	-	-	-	104	5	109
Written-off	(729)	-	-	-	-	(729)
Exchange adjustments	(18)	(7)	-	(77)	(12)	(114)
At 31 December 2024	2,916	187	37	2,277	671	6,088
Additions	-	-	-	89	9	98
Written-off	-	-	-	(8)	-	(8)
Exchange adjustments	8	9	-	100	15	132
At 31 December 2025	2,924	196	37	2,458	695	6,310
Accumulated depreciation and impairment:						
At 1 January 2024	3,301	189	24	1,717	551	5,782
Charge for the year	277	-	7	176	74	534
Written-off	(729)	-	-	-	-	(729)
Exchange adjustments	(15)	(7)	-	(61)	(10)	(93)
At 31 December 2024	2,834	182	31	1,832	615	5,494
Charge for the year	37	-	3	172	29	241
Written-off	-	-	-	(8)	-	(8)
Exchange adjustments	5	9	-	82	13	109
At 31 December 2025	2,876	191	34	2,078	657	5,836
Carrying amount:						
At 31 December 2025	48	5	3	380	38	474
At 31 December 2024	82	5	6	445	56	594

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For the year ended 31 December 2025

16. GOODWILL

	HK\$'000	
Cost:		
At 1 January 2024	399,601	
Exchange adjustments	(14,101)	
At 31 December 2024	385,500	
Exchange adjustments	17,516	
At 31 December 2025	403,016	
Accumulated impairment losses:		
At 1 January 2024 and 31 December 2024	–	
Impairment loss recognised	48,426	
Exchange adjustments	(577)	
At 31 December 2025	47,849	
Carrying amount:		
At 31 December 2025	355,167	
At 31 December 2024	385,500	
Goodwill is allocated to the Group's cash generating units ("CGU") identified to country of operation and business segment. The carrying amounts as at 31 December 2025 and 2024 were related to the Group's Digital sports entertainment business in the PRC. The CGU to which goodwill has been allocated is tested for impairment annually, and when impairment indicator existed.		
	2025	2024
	HK\$'000	HK\$'000
Recoverable amount	480,000	577,600
Carrying value of assets allocated (including goodwill)	527,849	528,721

16. GOODWILL (Continued)

For the purpose of impairment testing for assets allocated to the Digital sports entertainment business CGU in 2025 and 2024, the recoverable amounts of the CGU have been determined from value-in-use calculations based on cash flow projections from approved budgets covering a five-year period. It is determined with reference to the valuation prepared by Graval Consulting Limited ("Graval"), an independent firm of professionally qualified valuer. Cash flow beyond the five-year period is extrapolated using an estimated average growth rate of 2% (2024: 2%), which does not exceed the long-term growth rate for sports related applications industry in the PRC. Cash flows for the first five financial periods are based on expected paying users and paying rates estimated by management. Budgeted gross margin is determined based on the unit's past performance and management's expectations for the market development. The level in the fair value hierarchy in arriving at the above recoverable amount is considered under Level 3.

	2025	2024
Revenue growth rate within the five-year period	7%–40%	23%–43%
Operating profit margin within the five-year period	8%–17%	6%–14%
Discount rate	19.20%	19.85%

Assumptions were used in the value-in-use calculation of the Digital sports entertainment business CGU. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Revenue growth rate

The revenue growth rate is based on the average growth achieved in the past years and the expected revenue from major sports events and newly launched games and applications.

(b) Operating profit margin

The basis used to determine the value assigned to the budgeted operating profit margins is the operating profit margins achieved in the past years and the expectation for market development.

(c) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

The values assigned to the key assumptions on market development and the discount rate are consistent with external information sources.

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16. GOODWILL (Continued)

As at 31 December 2025, the recoverable amount of the CGU has been determined from value-in-use calculations based on cash flow projections from approved budgets covering a five-year period, with reference to the valuation prepared by Graval. It is determined that the recoverable amount of the CGU to be HK\$480,000,000, which is lower than the carrying amount of HK\$527,849,000, thus an impairment loss of HK\$48,426,000 have been allocated and recognised against the carrying amount of goodwill with an exchange difference of HK\$577,000. The decrease in recoverable amount is due to decrease in projected revenue growth rate applied in the cash flow projections, based on the fact that revenue generated from paid sports information platform and sports and leisure games both decreased during 2025. It was driven by the objective environment of a non-major-sports-year, together with declining customer pay rate and increasing difficulties in quality customer acquisition. In view of the above, the projected revenue growth of the digital sports entertainment business has lowered.

As at 31 December 2024, based on the result of the assessment, management determines that the recoverable amount of the CGU to be HK\$577,600,000 and is higher than the carrying amount of HK\$528,721,000, as a result, there was no impairment required for the year ended 31 December 2024 in respect of goodwill.

In the opinion of the directors, a reasonably possible change in the following key assumptions of the cash flow projection may give rise to impairment loss:

	% increase/ (decrease)	Rise/(reduce) impairment loss HK\$'000
Revenue growth rate within the five-year period	(1%)	26,000
	1%	(26,000)
Operating profit margin within the five-year period	(1%)	30,000
	1%	(30,000)
Discount rate	1%	36,000
	(1%)	(36,000)

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17. INTANGIBLE ASSETS

	Purchased software and technology HK\$'000	License and platform HK\$'000 <i>(note (a))</i>	Copyrights and patents HK\$'000 <i>(note (b))</i>	Games and applications HK\$'000 <i>(note (c))</i>	Total HK\$'000
Cost:					
At 1 January 2024	10,093	12,919	122,750	109,031	254,793
Additions	–	–	–	72,655	72,655
Exchange adjustments	(356)	(456)	(4,331)	(2,504)	(7,647)
At 31 December 2024	9,737	12,463	118,419	179,182	319,801
Additions	–	–	–	59,511	59,511
Written off <i>(note (d))</i>	(9,952)	–	(79,216)	(4,138)	(93,306)
Exchange adjustments	215	566	3,570	5,829	10,180
At 31 December 2025	–	13,029	42,773	240,384	296,186
Amortisation and impairment:					
At 1 January 2024	2,019	5,313	49,368	93,623	150,323
Amortisation for the year	993	2,520	18,398	12,747	34,658
Exchange adjustments	(91)	(237)	(2,083)	(798)	(3,209)
At 31 December 2024	2,921	7,596	65,683	105,572	181,772
Amortisation for the year	746	2,524	13,714	27,118	44,102
Written off <i>(note (d))</i>	(3,732)	–	(49,843)	(2,621)	(56,196)
Exchange adjustments	65	403	2,074	1,863	4,405
At 31 December 2025	–	10,523	31,628	131,932	174,083
Carrying amount:					
At 31 December 2025	–	2,506	11,145	108,452	122,103
At 31 December 2024	6,816	4,867	52,736	73,610	138,029

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17. INTANGIBLE ASSETS (Continued)

Notes:

- (a) *The Group has obtained a permission license for operating an online sports events platform and reward points system (the "Permission License") by acquisition of a subsidiary during 2020. The Permission License has an estimated useful life of five years.*

In 2021, the Group has obtained a platform for distributing games and applications by acquisition of a subsidiary. The platform has an estimated useful life of five years.

- (b) *The Group pays a sum of copyright fees to the intellectual property ("IP") owners to buy out the copyrights upon which the Group can further develop, publish and operate mobile games or other digital sports entertainment applications. The Group recognises the copyrights bought out as an intangible asset. These intangible assets are initially recorded at cost and amortised on a straight-line basis over the estimated economic useful lives of two to ten years.*

- (c) *Games and applications represent the sports related mobile games and paid sports information platform and digital collectable platform developed by the Group and related development costs are capitalised and amortised on a straight-line basis over the estimated economic lives, which range from three to ten years.*

- (d) *The written-off of intangible assets amounting HK\$37,110,000 mainly comprises HK\$29,373,000 in copyrights and patents; HK\$6,220,000 in purchased software and technology and HK\$1,517,000 in games and applications.*

- *Copyrights and patents:*

These IP assets were acquired in 2021 and 2022 for development of sports and leisure games. The gaming industry was boosted by pandemic lockdowns which forced people to rely on home entertainment, therefore the Group originally planned to leverage the favorable market condition by purchasing novel IPs for game adaptation and attract developers. However, these IP assets were unable to commercialise and achieve the anticipated revenue within anticipated games launching cycle. With rapid change of customer preferences and shifting of corporate direction to focus more on AI and digital sports entertainment products, the future profitability of those games was evaluated to be low. The Group decided to write off these IPs in September 2025 and withdraw from the related development projects. As a result, those IP copyrights with carrying amount of HK\$37,110,000 were then write-off to profit or loss.

- *Purchased software and technology:*

The software was purchased in 2021 for development of esports aiming at facilitating growth of sports and leisure games. However, with change in business strategy and market situation, the anticipated revenue is not satisfactory within anticipated games launching cycle. Thus the management finally decided to abandon the project as to reduce loss in 2025, carrying amount of that software amounting HK\$6,220,000 was then write-off to profit or loss.

- *Games and applications:*

The contract with a digital platform co-operation party was terminated due to the downturn in the demand of digital collectibles market. Revenue from digital collectibles platform declined year by year. The maintenance of certain co-operation platform was ceased during 2025 and the carrying amount of such intangible assets amounting HK\$1,517,000 were then write-off to profit or loss.

As the intangible assets can generate cash inflows for Digital sports entertainment business CGU, the carrying amount as at year end has been taken into consideration for the impairment assessment of the Digital sports entertainment business CGU. For details of the assessment, please refer to note 16.

The Directors concluded that the recoverable amount estimated is sufficient to justify the carrying value of the intangible assets allocated to Digital sports entertainment business CGU and hence no impairment of intangible assets is necessary as at 31 December 2025 and 2024.

18. INTEREST IN AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Share of net assets other than goodwill (<i>note</i>)	–	–
Goodwill	183,135	183,135
	183,135	183,135
Less: impairment	(183,135)	(183,135)
	–	–

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 is not obliged to absorb any additional losses.

Particulars of the Group's associate are as follows:

Name of company	Form of business structure	Place of incorporation and operation	Percentage of ownership interests/voting rights/profit share	Principal activity
BOA	Limited company	British Virgin Islands (the "BVI")	45.49% (2024: 45.49%)	Provision of BVI banking services (<i>note</i>)

Note: On 28 May 2025, the Eastern Caribbean Supreme Court has placed BOA into provisional liquidation, following a petition filed by the BVI Financial Services Commission. The decision is based on established legal and regulatory frameworks to protect depositors and preserve stability in the banking sector in the territory. On 22 October 2025, joint liquidators were appointed, and authorised to commence disbursement of insured deposits to eligible depositors. As at 31 December 2025, the orderly wind-down of BOA continues under court supervision.

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For the year ended 31 December 2025

19. OTHER FINANCIAL ASSETS

	2025 HK\$'000	2024 HK\$'000
Current assets		
<i>Financial assets at FVTPL</i>		
Compensation arising from profit guarantee (note (a))	870	1,200
Listed equity investment (note (c))	12	43
	882	1,243
Non-current assets		
<i>Financial assets at FVOCI</i>		
Investment fund (note (b)(ii))	60,237	72,828
Unlisted equity investment (note (d))	–	1,064
	60,237	73,892
<i>Financial assets at FVTPL</i>		
Investment fund (note (b)(i))	161,117	159,198

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 upon the Group's instruction. 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 FVTPL.

19. OTHER FINANCIAL ASSETS (Continued)

Notes: (Continued)

(b) The investment funds are as follows:

- (i) On 14 December 2015, the Group entered into a Limited Partnership Agreement (the "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 has 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 such investment as financial assets at FVTPL as CPC Fund has a defined investment period.

The CPC Fund did not declared dividend during the year ended 31 December 2025 (2024: HK\$11,105,000). As at 31 December 2025, a fair value gain of HK\$1,919,000 (2024: fair value gain of HK\$13,352,000 including dividend income of HK\$11,105,000) are recognised as "Other gains and losses" in profit or loss.

As at 31 December 2025, fair value of investment in the CPC Fund amounted to HK\$161,117,000 (2024: HK\$159,198,000), which accounted for 17.7% (2024: 16.5%) of the Group's total assets.

- (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 AI, internet, media and telemedia businesses. 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 FVOCI as New Rock Capital Fund does not have a defined investment period and there is no puttable feature clauses in the New Rock Capital Fund to the Group as a limited partner.

The New Rock Capital Fund did not declared dividend in 2025 and 2024. As at 31 December 2025, a fair value loss of HK\$12,591,000 (2024: fair value loss of HK\$44,482,000) was recognised as other comprehensive income and decreased the investment revaluation reserve.

As at 31 December 2025, fair value of investment in the New Rock Capital Fund amounted to HK\$60,237,000 (2024: HK\$72,828,000), which accounted for 6.6% (2024: 7.5%) of the Group's total assets.

- (c) It represents certain equity investments of listed securities in NASDAQ. As at 31 December 2025, fair value loss of HK\$31,000 (2024: HK\$118,000) and with no dividend income were recognised as "Other gains and losses" in profit or loss.
- (d) It represents equity investment in an unlisted company, which is not held for trading, and the Group has irrevocably elected at initial recognition to recognise in this category. This is strategic investment and the Group considers this classification to be relevant. As at 31 December 2025, a fair value loss of HK\$1,112,000 (2024: Nil) was recognised as other comprehensive income and decreased the investment revaluation reserve.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. LEASE

Leases as lessee

The Group leases office properties. The leases typically run for a period of two to five (2024: two to five) years. Lease payments are renegotiated every two to five (2024: two to five) years to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

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

(a) Right-of-use assets

	Properties HK\$'000
At 1 January 2024	5,579
Depreciation charge for the year	(2,667)
Modification of lease	1,829
Exchange adjustments	(143)
At 31 December 2024 and 1 January 2025	4,598
Depreciation charge for the year	(2,454)
Exchange adjustments	112
At 31 December 2025	2,256

(b) Lease liabilities

	Properties HK\$'000
At 1 January 2024	5,633
Interest expense (<i>note 9</i>)	267
Lease payments	(2,911)
Modification of lease	1,829
Exchange adjustments	(145)
At 31 December 2024 and 1 January 2025	4,673
Interest expense (<i>note 9</i>)	196
Lease payments	(2,761)
Exchange adjustments	113
At 31 December 2025	2,221

20. LEASE (Continued)

Leases as lessee (Continued)

(b) Lease liabilities (Continued)

Future lease liabilities are payable as follows:

	Minimum lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
At 31 December 2025			
Not later than one year	2,268	(47)	2,221
At 31 December 2024			
Not later than one year	2,722	(193)	2,529
Later than one year but not later than five years	2,189	(45)	2,144
	4,911	(238)	4,673

The present value of future lease payments are analysed as:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	2,221	2,529
Non-current liabilities	–	2,144
	2,221	4,673

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. LEASE (Continued)

Leases as lessee (Continued)

(c) Amounts recognised in profit or loss

	2025 HK\$'000	2024 HK\$'000
Depreciation charge on right-of-use assets	2,454	2,667
Interest on lease liabilities	196	267
	2,650	2,934
Aggregate undiscounted commitments for short-term leases	–	–

(d) Amounts recognised in statement of cash flows

	2025 HK\$'000	2024 HK\$'000
Total cash outflow for leases	(2,761)	(2,911)

21. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	90,818	88,186
Less: provision for impairment of trade receivables	(4,560)	(5,371)
Trade receivables, net	86,258	82,815

21. TRADE RECEIVABLES (Continued)

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:

	2025 HK\$'000	2024 HK\$'000
Within 6 months	77,016	72,414
Over 6 months but within 1 year	9,242	10,401
	86,258	82,815

The Group does not hold any collateral as security.

The Group assessed impairment loss based on the accounting policy stated in note 4(g)(ii). The Group has a policy granting its customers credit periods normally ranging from 90 to 180 days. Note 35 sets out the details about the calculation of ECLs.

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

	2025 HK\$'000	2024 HK\$'000
At 1 January	5,371	–
(Reversal of)/provision for ECLs	(1,032)	5,479
Exchange adjustments	221	(108)
	4,560	5,371

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Other receivables	25,804	28,613
Less: provision for impairment of other receivables (<i>note 35</i>)	(4,132)	(3,764)
<hr/>		
Other receivables, net	21,672	24,849
Other tax receivables	5,797	5,718
Prepayments	41,480	59,555
Deposits	5,242	5,015
<hr/>		
	74,191	95,137
<hr/>		
Represented by:		
Non-current portion	7,346	7,027
Current portion	66,845	88,110
<hr/>		
	74,191	95,137
<hr/>		

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	42,863	13,359
Deposits received	21	21
Accruals (<i>Note</i>)	45,316	37,451
Other payables (<i>Note</i>)	40,157	42,983
	128,357	93,814

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

	2025 HK\$'000	2024 HK\$'000
Within 6 months	21,240	3,098
Over 6 months but within 1 year	9,962	5,799
Over 1 year but within 2 years	7,338	3,308
Over 2 years	4,323	1,154
	42,863	13,359
Total trade payables	42,863	13,359
Accrued liabilities and other liabilities	85,494	80,455
	128,357	93,814

Note: As at 31 December 2025, an amount due to Dr. Zhang Lijun, the Director of the Company, totalling of HK\$66,444,000 (2024: HK\$56,983,000) is included in accruals and other payables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from games and applications	15,099	10,983
Movements in contract liabilities:		
		HK\$'000
Balance as at 1 January 2024		42,467
Exchange adjustments		(894)
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year		(41,794)
Increase in contract liabilities from sales of virtual currency to users of games and applications		11,204
Balance as at 31 December 2024 and 1 January 2025		10,983
Exchange adjustments		580
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at beginning of year		(11,225)
Increase in contract liabilities from sales of virtual currency to users of games and applications		14,761
Balance as at 31 December 2025		15,099

25. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings due for repayment within one year		
– Secured (<i>note (a)</i>)	16,685	12,768
– Unsecured (<i>note (b)</i>)	–	3,192
	16,685	15,960
Bank borrowings due for repayment over one year		
– Unsecured (<i>note (b)</i>)	5,562	–
	22,247	15,960

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

- (i) As at 31 December 2025, certain bank loans granted by the Bank of China totalling RMB5,000,000 (equivalent to HK\$5,562,000) are secured by a personal guarantee as detailed in note 34(c), and bear interest of 2.15% per annum. The loans are repayable within one year on 28 September 2026 and 30 September 2026.
- (ii) As at 31 December 2025, certain bank loans granted by the Bank of Beijing totalling RMB10,000,000 (equivalent to HK\$11,123,000) are secured by a personal guarantee as detailed in note 34(c) and a patent is pledged, and bear interest of 2.50% per annum. The loans are repayable within one year on 1 August 2026.
- (iii) As at 31 December 2024, certain bank loans granted by the Bank of China totalling RMB12,000,000 (equivalent to HK\$12,768,000) were secured by certain personal and corporate guarantee as detailed in notes 34(d) and 34(e), and bore interest ranging from 1.40% to 2.30% per annum. The loans were repayable within one year on 31 May 2025, 30 September 2025 and 14 November 2025.

(b) As at 31 December 2025, the unsecured bank borrowings granted by a bank totalling RMB5,000,000 (equivalent to HK\$5,562,000) bear interest of 0.65% per annum. The loans are carried at amortised cost and repayable over one year on 29 May 2027 and 10 June 2027.

As at 31 December 2024, the unsecured bank borrowings granted by a bank of RMB3,000,000 (equivalent to HK\$3,192,000) bore interest of 1.80% per annum. The loan was carried at amortised cost and repayable within one year on 27 May 2025.

Notes to the Consolidated Financial Statements

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25. BANK BORROWINGS (Continued)

- (c) As at 31 December 2025 and 2024, the fair value of bank borrowings approximates to their carrying amount largely due to the short-term maturities.
- (d) As at 31 December 2025, the Group has unutilised banking facilities of RMB5,000,000 (equivalent to HK\$5,562,000) (2024: Nil). The facility expires within one year and is subject to renewal on 24 September 2026. It is secured by a personal guarantee as detailed in note 34(c).
- (e) The Group's banking facilities are subject to the fulfilment of certain covenants which are commonly found in lending arrangements with financial institutions. If the Group was not able to comply with the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2025, none of the covenants relating to drawn down facilities has been breached.

26. DEFERRED TAXATION

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	1,712	1,216

Details of the deferred tax assets recognised and movements during the year are as follows:

	Impairment loss on trade and other receivables HK\$'000	Unused tax losses HK\$'000	Total HK\$'000
At 1 January 2024	298	–	298
Credit to profit or loss for the year (<i>note 13(a)</i>)	945	–	945
Exchange adjustments	(27)	–	(27)
At 31 December 2024 and 1 January 2025	1,216	–	1,216
Credit to profit or loss for the year (<i>note 13(a)</i>)	(100)	538	438
Exchange adjustments	46	12	58
At 31 December 2025	1,162	550	1,712

26. DEFERRED TAXATION (Continued)

Deferred income tax assets not recognised:

	2025 HK\$'000	2024 HK\$'000
Unused tax losses	41,718	41,749

As at 31 December 2025, the Group had estimated unused tax losses of approximately HK\$242,633,000 (2024: HK\$242,755,000) arising from certain companies within the Group that are suffering from losses from years available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to unpredictability of future profit streams. Tax losses amounting to approximately HK\$222,822,000 (2024: HK\$222,822,000) can be carried forward indefinitely. The remaining unrecognised tax losses at the reporting date will be expired as follows:

	2025 HK\$'000	2024 HK\$'000
Year 2025	–	8,667
Year 2026	5	5
Year 2027	1,957	1,997
Year 2028	4,524	4,671
Year 2029	4,724	4,593
Year 2030	8,601	–
	19,811	19,933

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. As at 31 December 2025, the Group has not recognised deferred tax liabilities of HK\$4,519,000 (2024: HK\$4,498,000) in respect of temporary differences relating to the unremitted profits of subsidiaries amounting to HK\$45,188,000 (2024: HK\$44,979,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
Authorised: 50,000,000,000 ordinary shares of HK\$0.01 each	500,000	500,000
Issued and fully paid: 4,526,135,442 ordinary shares of HK\$0.01 each at beginning/ end of year	45,262	45,262

28. RESERVES

Company

	Share premium HK\$'000 <i>(note (a))</i>	Other reserves HK\$'000 <i>(note (c))</i>	Share-based compensation reserve HK\$'000 <i>(note (d))</i>	Accumulated losses HK\$'000	Total reserves HK\$'000
At 1 January 2024	1,771,496	523,125	4,551	(2,801,673)	(502,501)
Loss and total comprehensive income for the year	–	–	–	(406,455)	(406,455)
Lapse of share options	–	–	(176)	176	–
At 31 December 2024	1,771,496	523,125	4,375	(3,207,952)	(908,956)
Loss and total comprehensive income for the year	–	–	–	(49,510)	(49,510)
Lapse of share options <i>(note 29)</i>	–	–	(2,311)	2,311	–
At 31 December 2025	1,771,496	523,125	2,064	(3,255,151)	(958,466)

28. RESERVES (Continued)

Company (Continued)

Notes:

- (a) *The balance represents the excess of consideration received for issue of shares over the corresponding par value of the issued shares. The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981 (as amended).*
- (b) *Investment revaluation reserve represents change in fair value of financial assets at fair value through other comprehensive income.*
- (c) *Other reserves represent:*
 - i. *the difference between the amount by which the non-controlling interests are adjusted and the fair value of the shares of the subsidiary granted to employees; and*
 - ii. *certain portion of the profits of the subsidiaries established in the PRC transferred from the retained earnings which are restricted to use pursuant to the relevant laws and regulations in the PRC.*
- (d) *Share-based compensation reserve comprises the value of the unexercised share option granted by the Company recognised in accordance with the accounting policy adopted for share-based payments in note 4(m).*
- (e) *Exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which are dealt with in accordance with the accounting policies as set out in note 4(k).*

29. SHARE-BASED PAYMENT

Equity-settled share option scheme of the Company

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 Shares. 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 Options were granted under 2022 Scheme during the years ended 31 December 2025 and 2024.

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29. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

In the annual general meeting of the Company held on 21 May 2020, the share option scheme of a wholly-owned subsidiary of the Company, Easy Prime, was adopted by an ordinary resolution passed by the shareholders of the Company. No share option was granted under the Easy Prime share option scheme during the years ended 31 December 2025 and 2024.

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

2025

	Number of Share Options					Exercise price HK\$	Vesting period	Exercise period
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	At end of year			
Executive directors								
Dr. Zhang Lijun - on 19 March 2021	1,000,000	-	-	-	1,000,000	1.120	-	19/03/2021 to 18/03/2026
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	-	-	(2,000,000)	2,000,000			
Sub-total	5,000,000	-	-	(2,000,000)	3,000,000			
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)	-			

29. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

2025 (Continued)

	Number of Share Options				At end of year	Exercise price HK\$	Vesting period	Exercise period
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year				
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	13,180,000	-	-	-	13,180,000	0.570	-	05/07/2022 to 04/07/2027
- on 12 December 2023	27,000,000	-	-	(27,000,000)	-	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
Sub-total	72,180,000	-	-	(55,000,000)	17,180,000			
Service providers (note (f))								
- 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	-	-	(14,000,000)	2,000,000			
Total	97,180,000	-	-	(74,000,000)	23,180,000			

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29. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

2024

	Number of Share Options				At end of year	Exercise price HK\$	Vesting period	Exercise period
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year				
Executive directors								
Dr. Zhang Lijun – on 19 March 2021	1,000,000	-	-	-	1,000,000	1.120	-	19/03/2021 to 18/03/2026
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			

29. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

2024 (Continued)

	Number of Share Options				At end of year	Exercise price HK\$	Vesting period	Exercise period
	At beginning of year	Granted during the year	Exercised during the year	Lapsed during the year				
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	-	-	(2,820,000)	13,180,000	0.570	-	05/07/2022 to 04/07/2027
- on 12 December 2023	28,000,000	-	-	(1,000,000)	27,000,000	0.180	12/12/2023 to 11/12/2024	12/12/2024 to 11/12/2025
Sub-total	76,000,000	-	-	(3,820,000)	71,180,000			
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	-	-	(3,820,000)	97,180,000			

Note:

- (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.

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For the year ended 31 December 2025

29. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

Details and movements of share options are as follows:

	Weighted average exercise price	Number '000
At 1 January 2024	HK\$0.426	101,000
Lapsed during the year	HK\$0.468	(3,820)
At 31 December 2024	HK\$0.425	97,180
Lapsed during the year	HK\$0.305	(74,000)
At 31 December 2025	HK\$0.807	23,180

The weighted average exercise price of options outstanding at the end of the year is HK\$0.807 (2024: HK\$0.425) and their weighted average remaining contractual life was 0.95 years (2024: 1.10 years).

As at 31 December 2025, 23,180,000 (2024: 97,180,000) 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 2025 and 2024 were vested immediately at their respective date of grant and exercisable.

No share options were exercised during the years ended 31 December 2025 and 2024.

In 2025, 74,000,000 share options lapsed. Accordingly, the related share-based compensation reserve of HK\$2,311,000 was released to accumulated losses.

30. NOTES SUPPORTING STATEMENT OF CASH FLOWS

(a) Cash and cash equivalents comprise:

	2025 HK\$'000	2024 HK\$'000
Cash available on demand	43,819	24,358

As at 31 December 2025, the Group had cash and bank balances denominated in RMB amounting to approximately HK\$21,936,000 (2024: HK\$18,773,000), which were deposits with banks in the PRC or held in hand. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

(b) Reconciliation of liabilities arising from financing activities:

	Bank borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2025	15,960	4,673	20,633
<i>Changes from financing cash flows</i>			
Proceeds from bank borrowings	22,294	–	22,294
Repayment of bank borrowings	(16,856)	–	(16,856)
Payment of lease liabilities	–	(2,761)	(2,761)
Interest paid	(352)	–	(352)
Total changes from financing cash flows	5,086	(2,761)	2,325
<i>Other changes</i>			
Interest expense	352	196	548
Exchange differences	849	113	962
Total liability-related other changes	1,201	309	1,510
At 31 December 2025	22,247	2,221	24,468

Notes to the Consolidated Financial Statements

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30. NOTES SUPPORTING STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities: (Continued)

	Bank borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	19,853	5,633	25,486
<i>Changes from financing cash flows</i>			
Proceeds from bank borrowings	16,282	–	16,282
Repayment of bank borrowings	(19,538)	–	(19,538)
Payment of lease liabilities	–	(2,911)	(2,911)
Interest paid	(306)	–	(306)
Total changes from financing cash flows	(3,562)	(2,911)	(6,473)
<i>Other changes</i>			
Interest expense	306	267	573
Modification of lease	–	1,829	1,829
Exchange differences	(637)	(145)	(782)
Total liability-related other changes	(331)	1,951	1,620
At 31 December 2024	15,960	4,673	20,633

(c) Significant non-cash transactions

The Group had the following significant non-cash transactions during the years:

- During the year ended 31 December 2024, the Group entered into a lease contract in which modification to right-of-use assets and lease liabilities amounting to HK\$1,829,000 (note 20) was recognised at the lease commencement date.

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The following is the statement of financial position of the Company as at 31 December 2025 and 2024:

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		–	3
Interests in subsidiaries		555,012	592,138
Financial assets at FVTPL		161,117	159,198
		716,129	751,339
CURRENT ASSETS			
Other receivables, deposits and prepayments		1,446	12,544
Financial assets at FVTPL		882	1,243
Amounts due from subsidiaries		337,311	337,272
Amount due from a related company		33	33
Cash and cash equivalents		6,125	262
		345,797	351,354
CURRENT LIABILITIES			
Other payables		45,150	36,712
Amounts due to subsidiaries		1,892,396	1,886,343
Amount due to a related company		37,584	37,584
Income tax payable		–	5,748
		1,975,130	1,966,387
NET CURRENT LIABILITIES		(1,629,333)	(1,615,033)
NET LIABILITIES		(913,204)	(863,694)
EQUITY			
Share capital	27	45,262	45,262
Reserves	28	(958,466)	(908,956)
TOTAL EQUITY		(913,204)	(863,694)

Zhang Lijun
Director

Peng Xitao
Director

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32. INVESTMENTS IN SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2025 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ type of entity	Place of operation	Nominal value of issued ordinary/ registered and paid-up capital	Attributable equity interest held by the Company		Principal activities
				Directly	Indirectly	
北京日升影響文化交流有限公司 Beijing Risheng Impact Cultural Exchange Co. Ltd ("TMD3")	PRC/Wholly-owned foreign enterprise	PRC	RMB301,975,900	-	100%	Provision of advertisement production services
Crazy Sports (HK) Limited	Hong Kong/Limited liability company	Hong Kong	HK\$300,000	-	100%	Investment holding
瘋狂新遊(北京)技術有限公司 Crazy Xinyou (Beijing) Technology Co., Ltd	PRC/Wholly-owned foreign enterprise	PRC	RMB1,000,000	-	100%	Investment holding
北京瘋狂體育產業管理有限公司 Beijing Crazy Sports Management Company Limited ("Crazysports")	PRC/Limited liability company	PRC	RMB10,230,000	-	100%	Development and operation of mobile applications
霍爾果斯瘋狂新遊網絡科技 有限公司 Khorgos Crazy	PRC/Limited liability company	PRC	RMB1,000,000	-	100%	Development and operation of mobile applications
Easy Prime	BVI/Limited liability company	Hong Kong	USD10,000	100%	-	Investment holding
海南日昌新通信息科技有限公司 Hainan Ri Chang Xin Tong Information Technology Company Limited ("Hainan Ri Chang")	PRC/Limited liability company	PRC	RMB10,000,000	-	100%	Software development
Goal Dynasty Limited	BVI/Limited liability company	Hong Kong	USD1	100%	-	Investment holding

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

33. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Contracted, but not provided for: – Intangible assets	3,337	3,192

34. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed elsewhere in these financial statements, the Group entered into the following related party transactions during the years.

	2025 HK\$'000	2024 HK\$'000
Service fee charge by a related company, Beijing First Video Network Technology Group Co., Ltd.	–	32

The transactions were made at prices mutually agreed by both parties.

Dr. Zhang Lijun, Director of the Company is the ultimate beneficial owner of Beijing First Video Network Technology Group Co., Ltd.

- (b) The remuneration of directors and other members of key managements during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Short term benefits	13,799	17,935

- (c) On 1 August 2025 and 26 September 2025, Mr. Peng Xitao, being the director of the Company, entered into guarantee agreements with Bank of Beijing and Bank of China, respectively, an unlimited personal guarantee is provided by Mr. Peng Xitao to the Bank of Beijing and Bank of China for banking facilities of RMB10,000,000 and RMB10,000,000, respectively, granted to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RELATED PARTY TRANSACTIONS (Continued)

- (d) 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.
- (e) On 30 September 2024, 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 RMB10,000,000 granted to the Group.
- (f) Amounts due from related companies, which is disclosed pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, is as follows:

Details of the balances with the related companies are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	1,165	667
Balance at 31 December	3,605	1,165
Maximum amount outstanding during the year	3,605	1,165

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

- (g) The amounts due to related companies are interest-free, unsecured and repayable on demand.
- (h) As at 31 December 2024, the amount due from non-controlling interest included in other receivables amounting to HK\$1,383,000 was unsecured, interest-free and repayable on demand.

35. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency and equity price risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables and other receivables arising from business operating transactions. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit risk of bank balances is limited because the counterparties are banks with good reputation and most of them are state-owned commercial banks in China or public listed companies, with an acceptable credit rating.

Trade receivables

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. The Group does not provide financial guarantee which would expose the Group to credit risk.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the grouping for trade receivables for the assessment of ECLs is determined by aging of past due day.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

As at 31 December 2025	Expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Not past due	3.034%	79,277	2,405
Within 3 months past due	4.263%	7,412	316
3 to 6 months past due	42.404%	3,976	1,686
Over 6 months past due	100.00%	153	153
		90,818	4,560

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35. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Trade receivables (Continued)

As at 31 December 2024	Expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Not past due	1.691%	73,291	1,239
Within 3 months past due	1.950%	10,977	214
3 to 6 months past due	100.00%	1,978	1,978
Over 6 months past due	100.00%	1,940	1,940
		88,186	5,371

Other receivables

The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as ECL assessment. It is considered low risk as the debtors are considered, in the short term, to have a strong capacity to meet its obligations. The movement in provision for ECL of other receivables is as follows:

	HK\$'000
At 1 January 2024	3,309
Provision for ECL	909
Amounts written-off	(336)
Exchange adjustments	(118)
At 31 December 2024 and 1 January 2025	3,764
Provision for ECL	220
Exchange adjustments	148
At 31 December 2025	4,132

35. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants and to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

At the end of reporting period, except for the non-current portion of bank borrowings of HK\$5,562,000 (2024: Nil) and lease liabilities of HK\$Nil (2024: HK\$2,144,000), all the Group's financial liabilities based on contractual undiscounted cash flows are repayable within one year or on demand.

Interest rate risk

The Group's bank deposits have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. The Directors consider the Group's exposure of the short-term bank deposits to interest rate risk is not significant as interest bearing bank deposits have short maturity periods.

The Group's fair value interest rate risk mainly arises from borrowings as disclosed in note 25. Borrowings were issued at fixed rates which expose the Group to fair value interest rate risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

Currency risk

Most of the subsidiaries' functional currency is determined as RMB as the majority of revenue of the Group are derived from operations in the PRC. RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Other than the above, the Group does not have significant exposure to risk resulting from changes in foreign currency exchange rates.

Equity price risk

The Group is exposed to equity price changes arising from equity instruments measured at FVTPL.

The Group's listed investments are listed on NASDAQ. Decisions to buy and sell trading securities are based on daily monitoring of the performance of individual securities compared to other industry indicators, as well as the Group's liquidity needs.

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For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT (Continued)

Equity price risk (Continued)

All of the Group's unquoted investments are held for long-term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective listed equity instruments had been 5% higher/lower, profit for the year would increase/decrease by HK\$600 (2024: HK\$2,000).

36. CAPITAL RISK MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable to owners of the Company only, comprising share capital and reserves.

The gearing ratio as at 31 December 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Bank borrowings	22,247	15,960
Total equity attributable to owners of the Company	705,360	690,778
Gearing ratio	3.15%	2.31%

37. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2025 and 2024 may be categorised as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost	160,596	138,202
Financial assets at FVTPL	161,999	160,441
Financial assets at FVOCI	60,237	73,892
	382,832	372,535
Financial liabilities		
Financial liabilities at amortised cost	189,298	147,337
Lease liabilities	2,221	4,673
	191,519	152,010

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).

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

	2025			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at FVTPL	882	–	161,117	161,999
Financial assets at FVOCI	–	–	60,237	60,237
	882	–	221,354	222,236

	2024			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Financial assets at FVTPL	1,243	–	159,198	160,441
Financial assets at FVOCI	–	–	73,892	73,892
	1,243	–	233,090	234,333

For the financial assets at fair value measurement classified in level 3, it mainly consisted of unlisted investment funds and unlisted equity investment as detailed in note 19.

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

Significant unobservable inputs

CPC Fund

The fair value of the CPC Fund as at 31 December 2025 and 2024 are arrived at based on a valuation carried out by Graval, an independent firm of professionally qualified valuer. The fair value is 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.

	At 31 December 2025	At 31 December 2024
Market multiples of comparable companies adopted		
– Price-to-book ratio (“P/B Ratio”)	3.56	3.24
– Price-to-sales ratio (“P/S Ratio”)	1.77–6.75	1.35–6.51
– Market rate of return	-0.93–1.48	-0.92–1.98
Discount for lack of marketability	15.60%	15.60%

Had the P/B Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$161,000 (2024: increase by HK\$140,000). Had the P/B Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$161,000 (2024: decrease by HK\$140,000).

Had the P/S Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$261,000 (2024: increase by HK\$315,000). Had the P/S Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$261,000 (2024: decrease by HK\$315,000).

Had the market rate of return of comparable companies adopted increased by 1%, it would increase the fair value of unlisted investment by HK\$269,000 (2024: increase by HK\$505,000). Had the market rate of the comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$269,000 (2024: decrease by HK\$505,000).

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37. 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 31 December 2025 and 2024 is arrived at based on a valuation carried out by Graval, an independent firm of professionally qualified valuer. The fair value is 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.

	At 31 December 2025	At 31 December 2024
Market multiples of comparable companies adopted		
– Enterprise value-to-sales ratio (“EV/S Ratio”)	0.78–6.17	1.50–7.99
– P/S Ratio	1.63	1.20
– P/B Ratio	N/A	2.05
Discount for lack of marketability	15.60%	15.60%

Had the EV/S Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$597,000 (2024: increase by HK\$649,000). Had the EV/S Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$597,000 (2024: decrease by HK\$649,000).

Had the P/S Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$205,000 (2024: increase by HK\$229,000). Had the P/S Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$205,000 (2024: decrease by HK\$229,000).

As at 31 December 2024, had the P/B Ratio of comparable companies adopted increased by 1%, it would increase the fair value of the unlisted investment by HK\$121,000. Had the P/B Ratio of comparable companies adopted decreased by 1%, it would decrease the fair value of the unlisted investment by HK\$121,000.

Unlisted equity investment

The Group uses market approach as the valuation technique and determines the fair value based on the fair value of underlying assets and liabilities of the entity. As at 31 December 2025 and 2024, the Directors are of their opinion that there is a wide range of possible fair value measurements and the determined carrying amount represents the best estimate of fair value within that range.

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

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

	Financial assets at FVOCI HK\$'000	Financial assets at FVTPL HK\$'000
Balance as at 1 January 2024	117,310	156,951
Change in fair value recognised in profit or loss	–	2,247
Change in fair value recognised in other comprehensive income	(44,482)	–
Acquired during the year	1,064	–
Balance as at 31 December 2024	73,892	159,198
Change in fair value recognised in profit or loss	–	1,919
Change in fair value recognised in other comprehensive income	(13,703)	–
Exchange adjustments	48	–
Balance as at 31 December 2025	60,237	161,117

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 years.

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38. MATERIAL INTEREST OF DIRECTORS IN TRANSACTION, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Company was a party and in which the directors of the Company or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

39. DIVIDEND

The directors of the Company have decided not to declare any dividend for the years ended 31 December 2025 and 2024.

40. PLEDGE OF ASSET

Save as disclosed in other parts of this report, as at 31 December 2025, a patent with carrying amount of HK\$Nil is pledged against the secured bank loans. The Group did not have any pledged assets as at 31 December 2024.

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were reviewed by the Audit Committee and approved and authorised for issue by the Board of Directors on 26 March 2026.

Five-Year Financial Summary

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements of the Group and reclassified as appropriate, is set out below:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	Year ended 31 December			
		2024 HK\$'000	2023 HK\$'000 (Restated)	2022 HK\$'000 (Restated)	2021 HK\$'000 (Restated)
Revenue	315,950	411,392	490,184	703,455	511,218
Gross profit	73,510	145,302	179,376	252,462	229,168
(Loss)/profit before Income tax	(117,205)	(14,276)	(20,983)	(55,466)	110,956
(Loss)/profit for the year	(4,779)	(14,728)	(21,713)	(53,787)	113,671
(Loss)/profit for the year attributable to owners of the Company	(4,868)	(14,718)	(21,665)	(53,753)	127,475
Total comprehensive income for the year	14,776	(86,520)	(36,278)	(240,502)	162,168
Total comprehensive income for the year attributable to owners of the Company	14,582	(86,450)	(36,185)	(240,469)	178,733

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025 HK\$'000	As at 31 December			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets					
Non-current assets	710,412	770,054	804,088	857,866	1,069,483
Current assets	201,587	197,691	272,911	341,760	288,131
Total assets	911,999	967,745	1,076,999	1,199,626	1,357,614
Equity					
Equity attributable to owners of the Company	705,360	690,778	777,228	813,085	1,052,614
Non-controlling interests	–	1,615	1,685	1,778	–
Total equity	705,360	692,393	778,913	814,863	1,052,614
Liabilities					
Non-current liabilities	5,562	2,144	3,435	6,906	7,318
Current liabilities	201,077	273,208	294,651	377,857	297,682
Total liabilities	206,639	275,352	298,086	384,763	305,000
Total equity and liabilities	911,999	965,745	1,076,999	1,199,626	1,357,614

Definitions and Glossary of Technical Terms

In this Annual 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;
“2018 Circular”	the major and connected transaction circular of the Company dated 28 September 2018;
“2022 Scheme”	the existing share option scheme of the Company adopted on 30 May 2022;
“2024”	the financial year ended 31 December 2024;
“2025”	the financial year ended 31 December 2025;
“2026 World Cup”	2026 Fédération Internationale de Football Association World Cup;
“AI”	artificial intelligence;
“Annual General Meeting”	the annual general meeting of the Company;
“Annual Report”	the annual report of the Company for 2025;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“BOA”	Bank of Asia (BVI) Limited, a company incorporated under the laws of BVI with limited liability;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Bye-laws”	the memorandum of association and bye-laws of the Company as amended, supplemented or otherwise modified from time to time;
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;

Definitions and Glossary of Technical Terms

“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);
“Crazy Sports (HK)”	Crazy Sports (HK) Limited, a wholly-owned subsidiary of the Company;
“Director(s)”	the director(s) of the Company;
“Easy Prime”	Easy Prime Developments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company;
“Easy Prime Board”	the board of directors of Easy Prime;
“Easy Prime Group”	Easy Prime and its subsidiaries;
“Easy Prime Options”	share option(s) granted under Easy Prime Share Option Scheme;
“Easy Prime Share Option Scheme”	the share option scheme of Easy Prime approved by Shareholders at the Annual General Meeting 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;
“ESG”	environmental, social and governance;
“ESG Committee”	the environmental, social and governance committee of the Company;
“Executive Committee”	the executive committee of the Company;
“FIFPro”	Fédération Internationale des Associations de Footballeurs Professionnels;
“Group”, “Crazy Sports”, “Crazy Sports Group”, “we”, or “our”	the Company, together with its subsidiaries;

Definitions and Glossary of Technical Terms

“Hainan Jinyi” or “Limited Partnership”	海南金易紅單資訊科技合夥企業 (Hainan Jinyi Hongdan Information Technology*), a limited partnership established in the PRC and the equity interest of which is held as to 27.3% and 72.7% by Mr. Wei Guilei and Mr. Peng Xitao respectively;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Holding Company”	the controlling shareholder (as defined in the Listing Rules) of the Company;
“Invested Entity”	the entity in which any member of the Group holds any equity interest;
“IP”	intellectual property;
“Limited Partners”	the limited partners of Hainan Jinyi;
“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;
“New VIE Contracts”	collectively, (i) the Exclusive Business Cooperation Agreement; (ii) the Exclusive Call Option Agreement; (iii) the Shareholders’ Voting Right Entrustment Agreement; (iv) the Equity Pledge Agreement; and (v) the WFOE’s Undertaking signed between WFOE, OPCO and the PRC Equity Owners on 31 December 2020;
“Nomination Committee”	the nomination committee of the Company;
“OPCO”	Beijing Crazy Sports Management Company Limited* (北京瘋狂體育產業管理有限公司), a company established in the PRC;
“OPCO Group”	OPCO and its subsidiaries;
“PRC” or “China”	the People’s Republic of China;
“PRC Equity Owner(s)”	the shareholder(s) of OPCO;

Definitions and Glossary of Technical Terms

“R&D”	research and development;
“RAG”	retrieval-augmented generation;
“Remuneration Committee”	the remuneration committee of the Company;
“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;
“Restructuring”	the restructuring of the telemedia business of the Group as per announcement of the Company made on 7 December 2020, 11 December 2020 and 24 December 2020;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme Mandate Limit”	10% of the total number of Easy Prime Shares in issue;
“Services”	the business support, technical and consulting services, including but not limited to, technical services, business and marketing consultation, intellectual property leasing, system integration and maintenance, research and development of products and intellectual property and Internet network support provided by WFOE to OPCO;
“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 the 2022 scheme or 2012 scheme;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

Definitions and Glossary of Technical Terms

“US\$”	United States dollars, the lawful currency of the United States of America;
“VIE”	variable interest entity;
“VIE Contracts”	collectively, (i) the Exclusive Business Cooperation Agreement; (ii) the Exclusive Call Option Agreement; (iii) the Shareholders’ Voting Right Entrustment Agreement; (iv) the Equity Pledge Agreement; and (v) the WFOE’s Undertaking entered into among the WFOE, the OPCO and the PRC Equity Owners;
“WBC”	World Boxing Council;
“WFOE”	瘋狂新遊(北京)技術有限公司 (Crazy New Game (Beijing) Technology Company Limited*), a wholly owned subsidiary of the Easy Prime, and a special purpose company established in the PRC with limited liability; and
“%”	per cent.

* for identification purposes only