

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **Lesi Group Limited**

### **樂思集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2540)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Lesi Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024. The annual results for the year ended 31 December 2025 have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

### **FINANCIAL PERFORMANCE HIGHLIGHTS**

	<b>Year ended 31 December</b>		<b>Year-on-year Change</b>
	<b>2025</b>	<b>2024</b>	
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	
Revenue	<b>1,549,029</b>	681,511	127.3%
Gross profit	<b>84,252</b>	101,438	(16.9%)
Profit before taxation	<b>40,399</b>	75,514	(46.5%)
Profit for the year attributable to equity shareholders of the Company	<b>39,676</b>	72,489	(45.3%)

## **BUSINESS REVIEW AND OUTLOOK**

In 2025, with the gradual recovery of the macro economy and structural transformation of the consumer market, the Group's revenue achieved significant growth. However, the substantial decline in profitability was mainly due to the reduction in industry media rebates as well as pricing concessions. We will continue to ensure the high-quality development of the Group's business through refined management. As the penetration rate and total usage time of large media platforms continue to increase, new business development opportunities are emerging in content ecosystems such as short videos, interest-based e-commerce, and social platforms. The Group closely follows the latest market trends and changes to develop comprehensive marketing solutions for customers. In addition, we will increase investment in AI creative automation and omnichannel measurement tools to meet advertisers' growing demands for transparency and personalization. We will occupy market share by integrating generative AI into end-to-end advertising campaign management and expanding our immersive advertising portfolio.

We closely follow the latest market development trends, focusing its core resources on enhancing the ability to provide comprehensive marketing services to high-quality customers. We provide close business services around rapidly growing industries and key customers. By concentrating resources on developing and expanding our ability to offer value-added services to clients, we aim to strengthen our competitiveness in the mobile advertising market. We also focus on building our ability to generate high-quality content, including text, images, and short videos, to improve the marketing effectiveness of advertising campaigns. Our total gross billing increased by approximately 172.7% from approximately RMB1,000.5 million for the year ended 31 December 2024 to approximately RMB2,728.5 million for the year ended 31 December 2025 and our total revenue increased by approximately 127.3% from approximately RMB681.5 million for the year ended 31 December 2024 to approximately RMB1,549.0 million for the year ended 31 December 2025. For the year ended 31 December 2025, we are a distributor of four media publishers, which are prominent technology companies in the PRC, and we can distribute mobile ads directly on 28 media platforms operated by them. These media platforms include leading short video platforms, search engine platforms, news and information content platforms, mobile browsers, app stores, and social media platforms. With a wide advertising distribution network, we could deliver mobile ads to a wide range of mobile users with different interests to market our customers' brands, products, and services.

## **OUTLOOK**

Despite escalating market competition, our business continues to grow steadily. Moving forward, we will apply AI technology in a robust but proactive manner across our mobile ad distribution network – driving efficiency from content production to delivery optimization, and continuously upgrading our own business platform to develop more effective mobile advertising solutions.

We will also explore strategic partnerships to enhance our technological capabilities, strengthen our service offerings, and position ourselves for future competition.

## **Mobile advertising solutions services**

The Group provides comprehensive mobile advertising services to our customers for marketing of their brands, products and/or services on media platforms operated by our media partners. Our services include mobile marketing planning, traffic acquisition, production of ad creatives, ad placements, ad optimisation, ad campaign management and ad distribution. We aim at optimising mobile ads' publicity and maximising their exposure to target mobile users to achieve our customers' marketing goals and improve their return on investment.

We believe that a network for ad distribution is crucial to our continuous growth in the mobile advertising industry. Thus, we are committed to developing and establishing solid business relationship with reputable media partners to ensure a smooth and consistent supply of advertising space for our placement of mobile ads. Our media partners include media publishers (being operators of media platforms) and media agents of other media publishers. As at 31 December 2025, we have established business relationship with four media publishers, which are prominent technology companies majority in the PRC, and we can distribute mobile ads directly on 28 media platforms operated by these media publishers. These media platforms include leading short video platforms, search engine platforms, news and information contents platforms, mobile browsers, app stores and social media platforms. With an extensive network for ad distribution, we can place mobile ads for marketing of brands, products and services of our customers to a wide spectrum of mobile users with different interests.

For the year ended 31 December 2025, we served approximately 400 customers from various industries, covering technology and internet services, financial services and e-commerce industries in the PRC. Our revenue generated from mobile advertising solutions services increased by approximately 133.9% from approximately RMB656.7 million for the year ended 31 December 2024 to approximately RMB1,535.8 million for the year ended 31 December 2025. Revenue generated from mobile advertising solutions services accounted for approximately 99.1% of our total revenue for the year ended 31 December 2025.

## **Advertisement distribution services**

Our advertisement distribution services include acquisition of advertising space and ad distribution, being standalone services. We purchase advertising space from our media partners for our customers. It involves the practice of arbitrage where we purchase advertising space and sell them to our customers. We are committed to providing advertising space to our customers to maximise their exposure to target mobile users such that they can achieve marketing goals and improve performance.

Our revenue generated from advertisement distribution services decreased by approximately 46.9% from approximately RMB24.9 million for the year ended 31 December 2024 to approximately RMB13.2 million for the year ended 31 December 2025.

## Competitive strengths and strategies

We seek to leverage on our competitive strengths to enhance our market position and further expand our business. We believe that the following competitive strengths and strategies contribute to our growth and differentiate us from our competitors.

- ***Maintain established relationship with top media partners operating leading media platforms in the PRC***

According to industry research, media resources are widely recognized as one of the key competitive factors for mobile advertising service providers in the PRC. For the year ended 31 December 2025, we are a distributor of four media publishers, which are prominent technology companies in the PRC, and we can distribute mobile ads directly on 28 media platforms operated by them. We possess such media resources and will continue to expand our media resources to maintain and enhance our competitiveness in the industry. These media platforms provide different contents to attract mobile users with diverse habits and preferences. Our business strategy is to develop and maintain an extensive network for distribution of mobile ads on a balanced mixture of media platforms with different contents and nature, whereby mobile ads can be placed on media platforms commonly used by mobile users with stable and large traffic as well as media platforms used by mobile users with specific common interests with relatively positive growth potential, whilst we may also collect and analyse proprietary statistics of different mobile users on such media platforms, thereby enabling us to customise our mobile advertising solutions for our customers to better meet their advertising needs and increase our business profitability.

- *Continue to expand our short video production capacities*

After over 20 years of rapid development, the online advertising market in the PRC underwent structural adjustments due to multiple macroeconomic factors, we offer mobile advertising solutions services to our customers with a focus on in-feed advertising. Over the years of our operation, we have accumulated extensive experience in the provision of mobile advertising services and understanding marketing needs of customers from different industries. With our in-house video production capacities, the Group can provide mobile advertising solutions services to our customers, from project planning, idea generation, scripts writing, video filming and editing, post-production of video to distribution to mobile ads in video format on media platforms, subject to our customers' needs and budget plans. The offer of video production enriches our service offerings and enables our customers to outsource the whole marketing campaign to us, and thereby increase their reliance on the Group and enhance our profitability. Our in-house production capacities have contributed to the growth of our business and we will continue to closely monitor our customers' needs and demands and, to our best effort, increase our service offerings to meet market demand and expand our customer base. We also actively explore the practical application of various new technologies, including AI generative technology, in short video production. Although we are a relatively small market player in the mobile advertising industry which is fragmented and competitive, we focus our resources to expand our production capacities and enhance our value-added services so as to differentiate ourselves from our competitors. We also put significant effort in understanding the products and brands of our customers and the habits of mobile users when we develop and create mobile ads so that our mobile ads can achieve marketing goals of our customers efficiently. Leveraging on our content production capacities, we can establish business relationship with top media publishers and can successfully expand our network for ad distribution.

- ***Enhance and upgrade the functions of our self-developed platform***

To adapt to the challenging times, we are constantly optimising our cost structure and improving our operational efficiency. Our self-developed platform has integrated applications for our internal use as our enterprise resource planning system to manage and operate our business systematically. The major features of our platform cover accounting and financial management, operation and order management, data management and customer information management. Through this platform, we can integrate performance data of our mobile ads from our media partners, analyse performance data for optimising overall results of mobile ads, review and oversee status of customers' orders and record our operating data and financial data. It also assists us in the management of resources for our production of mobile ads. We plan to upgrade our existing platform by expanding its functions so that the system can automate the collection of traffic usage data and behaviour data of mobile users from media platforms operated by our media publishers. We can then analyse various data for our internal use to formulate mobile advertising solutions in a timely manner. We intend to include algorithm capacities to our platform so that it can process various data, such as performance data and behaviour data, to enhance the accuracy of market analysis and to keep us abreast of the latest market trends and developments. Through this platform, we can design and formulate more effective mobile advertising solutions to better serve our customers and achieve advertising goals.

- ***Exploration of business collaboration and merger and acquisition opportunities with well-established companies***

We have explored business opportunities to cooperate with media platforms with a focus on cross-border e-commerce markets. Such opportunities would enhance our overall technological capability and create synergies with our existing business and can strengthen our solutions services and capacities which will enable us to create ad contents tailored to our target mobile users in specific local and/or overseas markets, such as marketing companies engaging in the provision of live streaming contents on the e-commerce platforms, with an established customer base, and marketing companies engaging in the provision of post advertising services for sale of products on overseas media platforms. We believe that our strengthened service capabilities in key overseas markets and selected regions in the PRC will enable us to grow and expand our customer base and our network for distribution of mobile ads and we will be better equipped for future competition.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group increased by approximately RMB867.5 million or 127.3%, from approximately RMB681.5 million for the year ended 31 December 2024 to approximately RMB1,549.0 million for the year ended 31 December 2025. All of the Group's revenue is generated from its external customers in the PRC. This increase was mainly due to the increase in demand for our mobile advertising solutions services from customers.

A breakdown of the revenue of the Group for the years indicated are set forth in the table below:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Mobile advertising solutions services (gross method)	1,535,825	656,652
Advertisement distribution services (net method)	13,204	24,859
	<u>1,549,029</u>	<u>681,511</u>

#### *Revenue generated from mobile advertising solutions services*

Revenue generated from mobile advertising solutions services increased by approximately RMB879.2 million or 133.9%, from approximately RMB656.7 million for the year ended 31 December 2024 to approximately RMB1,535.8 million for the year ended 31 December 2025. This increase was due to the increase in demand from customers under the enhanced marketing efforts of the Group.

#### *Revenue generated from advertisement distribution services*

Revenue generated from advertisement distribution services decreased by approximately RMB11.7 million or 46.9%, from approximately RMB24.9 million for the year ended 31 December 2024 to approximately RMB13.2 million for the year ended 31 December 2025. Affected by our business adjustments and customer demand, although the volume of advertising distribution services has increased, the net income of advertising distribution services has decreased compared with the same period last year mainly due to the decline in transaction fee rate and media rebate ratio.

## **Cost of services**

Cost of services of the Group primarily consists of traffic acquisition costs, employee benefit expenses and video production costs. The cost of services increased by approximately RMB884.7 million or 152.5%, from approximately RMB580.1 million for the year ended 31 December 2024 to approximately RMB1,464.8 million for the year ended 31 December 2025. Such increase was mainly due to the increase in traffic acquisition costs and the decrease in rebates from certain media partners as the rebate policies of media partners of the Group may vary from time to time subject to their business plan and needs.

## **Gross profit and gross profit margin**

Gross profit of the Group decreased by approximately RMB17.2 million or 16.9%, from approximately RMB101.4 million for the year ended 31 December 2024 to approximately RMB84.3 million for the year ended 31 December 2025, which was mainly due to the pricing concessions to customers and the decrease in rebates from media partners resulting from changes to their rebate policies. The gross profit margin decreased from approximately 14.9% for the year ended 31 December 2024 to approximately 5.4% for the year ended 31 December 2025 mainly due to the pricing concessions to customers and the decrease in the rates of rebates from media partners as a result of changes to the Group's rebate policies as their business plans may vary from time to time, and the increase in the proportion of revenue generated from mobile advertising solutions services.

## **Other net income**

Other net income for the year ended 31 December 2025 is primarily net foreign exchange differences. The other net income decreased significantly by approximately RMB2.2 million or 47.4%, from approximately RMB4.6 million for the year ended 31 December 2024 to approximately RMB2.4 million for the year ended 31 December 2025 mainly due to the decrease in interest income and government subsidies, partially offset the increase in net foreign exchange differences.

## **Selling and marketing expenses**

Selling and marketing expenses of the Group primarily consists of employee benefit expenses, entertainment expenses, travelling expenses and others. The selling and marketing expenses increased by approximately RMB1.3 million or 41.9%, from approximately RMB3.1 million for the year ended 31 December 2024 to approximately RMB4.4 million for the year ended 31 December 2025 mainly due to the increase in employee benefit expenses and entertainment and travelling expenses related to the increased business scale. The increase in employee benefit expenses was mainly due to the increase of personnel for sales and marketing team.

## **General and administrative expenses**

General and administrative expenses of the Group mainly consist of professional fees, research and development expenses, employee benefit expenses, depreciation, short-term rental, property utilities expenses, office expenses, entertainment expenses and others. The general and administrative expenses increased by approximately RMB5.6 million or 20.5%, from approximately RMB27.1 million for the year ended 31 December 2024 to approximately RMB32.7 million for the year ended 31 December 2025. Such increase was primarily attributed to the rise in employee benefit expenses due to the increase in operating staff, the increase in depreciation and property management expenses related to the Group's new office located in the Xingdi Center in Beijing, and the increase in research and development expenses due to the expansion of research and development department.

## **Impairment losses on trade and other receivables, net of reversal**

Impairment losses on trade and other receivables of the Group consists of provision for impairment losses on trade and other receivables. The impairment losses on trade and other receivables increased by approximately RMB5.4 million or 216.6%, from approximately RMB2.5 million reversal for the year ended 31 December 2024 to approximately RMB2.9 million for the year ended 31 December 2025. This increase was mainly due to the increase in aged trade and other receivables.

## **Finance costs**

Finance costs of the Group consists of interest expense and interest on lease liabilities. The finance costs increased by approximately RMB3.5 million or 125.4%, from approximately RMB2.8 million for the year ended 31 December 2024 to approximately RMB6.2 million for the year ended 31 December 2025, primarily attributable to the increase in loan balances and interest on lease liabilities.

## **Income tax**

The Group is exempted from Cayman Islands income tax. No provision for Hong Kong profits tax was made as the Group did not have any assessable income subject to the Hong Kong profits tax during the year ended 31 December 2025. The income tax expense was primarily attributable to the PRC Enterprise Income Tax. The income tax decreased by approximately RMB1.6 million or 68.6%, from approximately RMB2.3 million for the year ended 31 December 2024 to approximately RMB0.7 million income tax for the year ended 31 December 2025. Such decrease in income tax is due to the decrease in taxable profit.

## **Profit for the year**

As a result of the foregoing, the profit for the year of the Group decreased by approximately RMB33.5 million or 45.8%, from approximately RMB73.2 million for the year ended 31 December 2024 to approximately RMB39.7 million for the year ended 31 December 2025. Net profit margin of the Group decreased from approximately 10.7% for the year ended 31 December 2024 to approximately 2.6% for the year ended 31 December 2025 and such decrease was generally due to the decrease in gross profit and increase in selling and general and administration expenses, impairment loss on trade and other receivables and finance costs.

## **Liquidity and capital resources**

The business operations and expansion plans of the Group require a significant amount of capital for purchasing of advertising space from media partners, enhancing our content production capabilities, labour cost and other recurring expenses to support the expansion of our operations.

During the year ended 31 December 2025, the Group principally financed our working capital and other liquidity requirements mainly through a combination of cash generated from our operating activities, IPO proceeds, and bank and other loans. As at 31 December 2025, the Group had bank and other loans of approximately RMB137.7 million (2024: RMB36.7 million) while the effective annual weighted interest rates of the bank and other loans were approximately 5.9% (2024: 5.5%) per annum for the year ended 31 December 2025. The gearing ratio of the Group as at 31 December 2025, calculated based on total borrowings (including bank and other loans and lease liabilities) divided by total equity, was approximately 25.9% (2024: 6.5%).

The cash and cash equivalents of the Group decreased significantly from approximately RMB149.4 million as of 31 December 2024 to approximately RMB36.9 million as of 31 December 2025, mainly due to the increased in cash used in operating activities and partially offset the increase in net proceeds from bank and other loans.

## **CAPITAL EXPENDITURES**

The capital expenditures of the Group are mainly consisted of expenditures on property, plant and equipment and right-of-use assets. The Group did not have any material capital commitments as at 31 December 2024 and 2025.

## **CONTINGENT LIABILITIES**

As of 31 December 2025, the Group had no material contingent liabilities.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note</i>		
<b>Revenue</b>	3	<b>1,549,029</b>	681,511
Cost of services		<u>(1,464,777)</u>	<u>(580,073)</u>
<b>Gross profit</b>		<b>84,252</b>	101,438
Other net income	4	<b>2,412</b>	4,582
Selling and marketing expenses		<b>(4,402)</b>	(3,102)
General and administrative expenses		<b>(32,715)</b>	(27,146)
Impairment losses on trade and other receivables, net of reversal		<u>(2,921)</u>	<u>2,505</u>
<b>Profit from operations</b>		<b>46,626</b>	78,277
Finance costs	5(a)	<u>(6,227)</u>	<u>(2,763)</u>
<b>Profit before taxation</b>	5	<b>40,399</b>	75,514
Income tax	6(a)	<u>(723)</u>	<u>(2,303)</u>
<b>Profit for the year</b>		<b><u>39,676</u></b>	<b><u>73,211</u></b>
<b>Other comprehensive income for the year (after tax)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange difference on the translation into presentation currency		<u>(2,613)</u>	<u>3,654</u>
Other comprehensive income for the year		<b><u>(2,613)</u></b>	<b><u>3,654</u></b>
<b>Total comprehensive income for the year</b>		<b><u>37,063</u></b>	<b><u>76,865</u></b>

		<b>Year ended 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Profit for the year attributable to:</b>			
Equity shareholders of the Company		<b>39,676</b>	72,489
Non-controlling interests		–	722
		<hr/>	<hr/>
Profit for the year		<b>39,676</b>	73,211
		<hr/> <hr/>	<hr/> <hr/>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<b>37,063</b>	76,143
Non-controlling interests		–	722
		<hr/>	<hr/>
Total comprehensive income for the year		<b>37,063</b>	76,865
		<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share</b>			
Basic and diluted ( <i>RMB</i> )	7	<b>0.08</b>	0.15
		<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	Year ended 31 December	
		2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Property and equipment		2,510	601
Right-of-use assets		24,539	3,751
Deferred tax assets		606	397
Lease receivables		4,349	–
		<u>32,004</u>	<u>4,749</u>
<b>Current assets</b>			
Trade and other receivables	9	937,763	661,484
Restricted bank deposits		6,652	7
Cash and cash equivalents		36,914	149,421
		<u>981,329</u>	<u>810,912</u>
<b>Current liabilities</b>			
Trade and other payables	10	132,989	148,949
Contract liabilities		57,740	8,809
Bank and other loans	11	134,988	36,657
Lease liabilities		9,465	2,664
Current taxation		4,920	5,398
		<u>340,102</u>	<u>202,477</u>
<b>Net current assets</b>		<u>641,227</u>	<u>608,435</u>
<b>Total assets less current liabilities</b>		<u>673,231</u>	<u>613,184</u>
<b>Non-current liabilities</b>			
Bank and other loans		2,700	–
Lease liabilities		20,952	640
Deferred tax liabilities		500	528
		<u>24,152</u>	<u>1,168</u>
<b>Net assets</b>		<u>649,079</u>	<u>612,016</u>

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Equity</b>		
Share capital	<b>3,537</b>	3,537
Reserves	<b>645,542</b>	608,479
	<hr/>	<hr/>
<b>Total equity attributable to equity shareholders of the Company</b>	<b>649,079</b>	612,016
	<hr/> <hr/>	<hr/> <hr/>

## NOTES

### 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 June 2020 as an exempted company with limited liability.

The Company is an investment holding company. The Group is principally engaged in the provision of mobile advertising services.

The Shares were listed on the Main Board of the Stock Exchange on 8 March 2024 (the “**Listing Date**”). The gross proceeds from the Listing amounted to approximately HK\$137.5 million (equivalent to approximately RMB124.8 million).

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise stated.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

#### 2.2 Changes in accounting policies

The Group has applied amendments to International Accounting Standard (“**IAS**”) 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or amended standard that is not yet effective for the current accounting period.

## 2.3 New standards and interpretations not yet adopted

The IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted by the Group:

	<b>Effective for accounting periods beginning or after</b>
Amendments to IFRS 9 and IFRS 7, <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7, <i>Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

### **IFRS 18, PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS**

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

### 3 REVENUE

The principal activities of the Group are providing mobile advertising solutions services and advertisement distribution services to customers. The amount of each significant category of revenue from contracts with customers within scope of IFRS 15 recognised at a point in time is as follows:

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Mobile advertising solutions services (gross method)	1,535,825	656,652
Advertisement distribution services (net method)	13,204	24,859
	<u>1,549,029</u>	<u>681,511</u>

The customer base of the Group includes four customers (2024: two customers) with whom transactions have exceeded 10% of the revenue of the Group. Revenues from each of these four customers amounted to approximately RMB270,286,000, RMB224,973,000, RMB182,358,000 and RMB171,338,000, respectively (2024: RMB159,924,000 and RMB78,344,000 for each of the two customers, respectively).

#### Geographic information

The operations of the Group are mainly located in the PRC. All of the revenue of the Group is generated from its external customers in the PRC and the non-current assets of the Group are located in the PRC.

#### Contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the advertising services are yet to be provided.

Almost all of the contract liabilities at the beginning of 2025 and 2024 have been recognised as revenue during the respective reporting years. As at 31 December 2025, majority of contract liabilities are expected to be recognized as revenue in the next 12 months.

### 4 OTHER NET INCOME

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	134	2,477
Government grant	158	2,148
Net foreign exchange differences	2,076	–
Others	44	(43)
	<u>2,412</u>	<u>4,582</u>

## 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

### (a) Finance costs

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expense	5,165	2,621
Interest on lease liabilities	1,062	142
	<u>6,227</u>	<u>2,763</u>

### (b) Staff costs

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	30,593	19,686
Contributions to defined contribution retirement plan	3,974	2,628
	<u>34,567</u>	<u>22,314</u>

Employees of the Group's subsidiaries in the PRC are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments. The Group's subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal governments to the schemes to fund the retirement benefits of the employees. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

### (c) Other items

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Auditors' remuneration	2,170	2,154
Depreciation of property and equipment and right-of-use asset	6,553	2,826
Impairment losses on trade and other receivables, net of reversal	2,921	(2,505)
Listing expenses	–	2,008
	<u>–</u>	<u>2,008</u>

## 6 INCOME TAX

(a) Taxation in the consolidated statement of comprehensive income represents:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Current tax	960	2,536
Deferred tax	(237)	(233)
	<u>723</u>	<u>2,303</u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit before taxation	<u>40,399</u>	<u>75,514</u>
Tax calculated at statutory tax rates applicable to profits in the respective jurisdictions	10,260	19,570
Tax effect of:		
Non-deductible expenses	253	78
Additional deductible allowance for research and development expenses	(1,498)	(1,491)
Statutory tax concession	(8,280)	(15,793)
Others	(12)	(61)
Actual tax expense	<u>723</u>	<u>2,303</u>

In accordance with the Enterprise Income Tax Law (“**Income Tax Law**”) of the PRC, the statutory income tax rate is 25%. The Group entities in the PRC are subject to PRC income tax at 25% unless otherwise specified.

Pursuant to the rules and regulations of Khorgos, certain subsidiaries of the Group are entitled to a reduced tax rate of 0% to 15% during the years presented.

According to the Income Tax Law, a subsidiary of the Group is recognised as a high-tech enterprise and enjoyed a preferential tax rate of 15% in years presented.

In addition, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC income tax law and its relevant regulations.

Taxation for group entities in other tax jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

The Directors consider that the enactment of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development is unlikely to have a significant impact on the consolidated financial statements.

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity Shareholders of RMB39,676,000 (2024: RMB72,489,000), and the weighted average of 500,000,000 ordinary Shares in issue during the year ended 31 December 2025.

Pursuant to the written resolution passed by the shareholders of the Company on 21 February 2024, the Company capitalised an amount of US\$355,000 from share premium and issued 355,000,000 shares to the Company's existing shareholders on 8 March 2024, immediately prior to the listing of the Company's shares. Accordingly, the weighted average number of shares has been adjusted retrospectively from 1 January 2024 for such capitalisation issue. The weighted average of 477,397,000 ordinary shares were deemed to be in issue during the year ended 31 December 2024.

Weighted average number of ordinary shares

	2025 <i>No. of shares</i> <i>('000)</i>	2024 <i>No. of shares</i> <i>('000)</i>
Shares in issue on 1 January	500,000	20,000
Effect of capitalisation issue	–	355,000
Effect of issuance of ordinary shares upon initial public offering	–	102,397
	<hr/>	<hr/>
Shares deemed to be in issue on 31 December	<b>500,000</b>	<b>477,397</b>

### (b) Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024.

## 8 DIVIDENDS

The directors of the Group did not propose the payment of any dividend during the year (2024: Nil).

## 9 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade debtors and bills receivable, net of loss allowance	702,859	451,807
Prepayments to suppliers	213,239	192,061
Deposits paid to media partners	723	5,750
Deductible input VAT	7,282	6,179
Lease receivables	1,799	–
Rebates due from media partners	7,433	2,784
Amounts due from a shareholder	28	28
Others	4,400	2,875
	<hr/>	<hr/>
	<b>937,763</b>	<b>661,484</b>

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) **Ageing analysis of trade receivables**

As of the end of each reporting period, the ageing analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 6 months	593,565	325,495
6 to 12 months	107,353	126,296
12 to 24 months	1,941	16
	<u>702,859</u>	<u>451,807</u>

The credit terms agreed with customers are normally 0–90 days from the date of invoicing. No interests are charged on the trade receivables.

(b) **Transfer of trade receivables**

The Group sold with recourse trade receivables to a factoring company for cash proceeds. These trade receivables have not been derecognised from the statement of financial position because the Group retains substantially all the risks and rewards – primarily credit risk. The amounts received on transfer have been recognised as secured loans. The payment from customers directly to the factoring company was reflected as a non-cash transaction.

As at 31 December 2025, the carrying amount of trade receivables that have been transferred but have not been derecognised and the associated liabilities amounted to RMB26,881,000.

(c) **Prepayments to suppliers**

Prepayments to suppliers mainly represented the traffic acquisition costs prepaid for the customers of the Group.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Prepayments to suppliers	216,511	196,434
Provision made	<u>(3,272)</u>	<u>(4,373)</u>
	<u>213,239</u>	<u>192,061</u>
Expected loss rate	1.5%	2.2%

## 10 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<b>59,917</b>	84,332
Cost payable to media partners on behalf of customers	<b>41,191</b>	33,308
Other taxes and levies payables	<b>18,937</b>	17,572
Staff cost payables	<b>3,649</b>	4,547
Customers deposits	<b>2,200</b>	2,300
Amounts due to a company owned by certain directors of the Company	–	375
Other payables	<b>7,095</b>	6,515
	<b>132,989</b>	148,949

All trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	<b>59,447</b>	58,808
3 to 6 months	<b>470</b>	25,459
6 months to 1 year	–	36
1 to 2 years	–	29
	<b>59,917</b>	84,332

During the year, certain media platform suppliers offered credit terms to the Group. At part of the agreement, certain subsidiaries of the Group provided guarantee in favour of the media platform suppliers to secure payment obligations of the Group. Certain joint control bank accounts have been opened in this regard. The cash balances held in the joint control bank accounts were classified as restricted bank deposits. In addition, Mr. Zhao Libing provided a guarantee in favour of the media platform suppliers to secure payment obligations of the Group.

## 11 BANK AND OTHER LOANS

The analysis of the carrying amount of bank and other loans is as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Bank and other loans		
– Secured	31,881	–
– Guaranteed	40,745	–
– Unsecured	65,062	36,657
	<hr/>	<hr/>
	137,688	36,657
Less: amounts due within one year	134,988	36,657
	<hr/>	<hr/>
Non-current portion	2,700	–
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, loans of RMB5,000,000 was secured by deposits of RMB500,000, and the loans of RMB26,881,000 arose from the trade receivables factoring with an independent factoring company. The guaranteed loan of RMB6,000,000 was guaranteed by Mr. Zhao Libing, and the remaining guaranteed loan of RMB34,745,000 was guaranteed by an independent guarantee company. Mr. Zhao Libing provided counter-guarantee and pledged a property in favour of the guarantee company.

## **OTHER INFORMATION**

### **MAJOR CUSTOMERS AND SUPPLIERS**

Revenue attributable to the five largest customers and the largest customer of the Group accounted for approximately RMB975.4 million and RMB270.3 million, respectively, representing approximately 63.0% and 17.4%, respectively, of the total revenue of the Group for the year ended 31 December 2025. Purchases attributable to the five largest suppliers and the largest supplier of the Group accounted for approximately RMB1,448.4 million and RMB1,262.7 million, respectively, representing approximately 98.9% and 86.2%, respectively, of the cost of services of the Group for the year ended 31 December 2025.

None of the Directors, nor any of their close associates (as defined in the Listing Rules), nor any shareholders of the Company (the “**Shareholder(s)**”) (whom, to the best knowledge and belief of the Directors, own more than 5% of the total issued share capital of the Company), had material interest in the five largest customers or suppliers of the Group during the year ended 31 December 2025.

### **EMPLOYEES**

As at 31 December 2025, the Group had 281 full-time employees (2024: 150), all of whom were based in the PRC. Total staff costs were approximately RMB34.6 million (2024: RMB22.3 million). As required under PRC regulations, the Group participates in various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the prospectus of the Company dated 29 February 2024 (the “**Prospectus**”) and in the section headed “Use of Proceeds” in this announcement, the Group did not have any plan for material investments and capital assets as of the date of this announcement.

### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

No significant investments were held, nor were there any material acquisitions or disposals by the Group or any of its subsidiaries, associates or joint ventures during the year ended 31 December 2025.

### **EVENTS AFTER THE REPORTING PERIOD**

No material events happened subsequent to 31 December 2025 and up to the date of this announcement.

## **DIVIDEND**

The Directors did not propose the payment of any dividend for the year ended 31 December 2025.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The Company will hold an annual general meeting (the “**AGM**”) on Thursday, 28 May 2026. Notice of the AGM will be published and despatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

## **CHARGE ON ASSETS AND PLEDGE OF ASSETS**

As at 31 December 2025, the Group did not have any charges on assets (31 December 2024: nil) nor any of assets of the Group was pledged (31 December 2024: nil).

## **CORPORATE GOVERNANCE CODE**

The Group is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. The Company has adopted the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance during the year ended 31 December 2025.

The Group will continue to review and monitor its corporate governance practices to ensure the compliance with the Corporate Governance Code.

## **MODEL CODE FOR SECURITIES TRANSACTION**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), as amended from time to time, as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the year ended 31 December 2025 and up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor its subsidiaries had purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2025 and up to the date of this announcement.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 21 February 2024 with written terms of reference in compliance with the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely Mr. Hu Hui, Mr. Lu Yao and Ms. Zheng Hong, all of them are our independent non-executive Directors. The chairman of the Audit Committee is Mr. Hu Hui. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements and annual results of the Group for the year ended 31 December 2025 and up to the date of this announcement.

## **SCOPE OF WORKS OF KPMG**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed by the auditor of the Company, KPMG, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by KPMG on this results announcement.

## USE OF PROCEEDS

The Shares were listed on the Main Board of the Stock Exchange on 8 March 2024. The gross proceeds from the Listing amounted to approximately HK\$137.5 million (equivalent to approximately RMB124.8 million). The net proceeds from the Listing after deducting underwriting fees and commissions and other related Listing expenses amounted to approximately HK\$52.0 million (equivalent to approximately RMB47.2 million) (the “**Net Proceeds**”). As of 31 December 2025, the utilisation of the Net Proceeds is detailed as follows:

Future Plans	% of the net proceeds	HK\$ million	Expected timeline of fully utilise the use of net proceeds	Utilised	Utilised	Utilised	Unutilised
				net Proceeds as of 31 December 2024	net Proceeds as of 31 December 2025	net Proceeds as of 31 December 2025	
				HK\$ million	HK\$ million	HK\$ million	HK\$ million
To expand our mobile advertising business in the PRC	40.0	34.1	–	31.6	2.5	–	–
To expand our short video production capacities	20.0	17.1	–	3.4	13.7	–	–
To enhance and upgrade the functions of our self-developed platform	20.0	17.1	–	2.2	14.9	–	–
To explore business collaboration and merger and acquisition opportunities with well-established companies	10.0	8.6	By 30 June 2026	–	–	–	8.6
General working capital	10.0	8.6	–	8.6	–	–	–
Total	<u>100.0</u>	<u>85.5</u>		<u>45.8</u>	<u>31.1</u>	<u>–</u>	<u>8.6</u>

During the period from the Listing Date up to 31 December 2025, the Net Proceeds had been used according to the plans as stated in the prospectus of the Company dated 29 February 2024 (the “**Prospectus**”), and there was no material change or delay in the use of the Net Proceeds except the Net Proceeds to be used in exploring business collaboration and merger and acquisition opportunities with well-established companies due to the inability to acquire a suitable target company.

The Group will continue to utilise the Net Proceeds from the initial public offering as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.lscx.com.cn>). The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the above websites in due course.

By order of the Board  
**Lesi Group Limited**  
**Zhao Libing**  
*Chairman of the Board and Executive Director*

Beijing, the PRC, 27 March 2026

*As at the date of this announcement, the Board comprises Mr. Zhao Libing, Mr. Yu Canliang, Mr. Nie Jiang and Ms. Shu Qing as executive Directors, Ms. Chang Qing as non-executive Director, and Mr. Lu Yao, Ms. Zheng Hong and Mr. Hu Hui as independent non-executive Directors.*