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Lesi Group Limited
樂思集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2540)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 unaudited consolidated interim results of the Group for the six months ended 30 June 2026 together with the comparative figures for the six months ended 30 June 2025.

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

FINANCIAL PERFORMANCE HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	**Change**
	RMB'000	*RMB'000*	
Revenue	**797,998**	682,939	16.8%
Gross profit	**43,214**	33,249	30.0%
Profit before taxation	**10,283**	11,139	-7.7%
Profit for the period	**9,966**	10,651	-6.4%

BUSINESS REVIEW AND OUTLOOK

In the first half of 2026, the macro economy maintained a steady recovery trend, while the mobile advertising market presented a distinctive pattern of overall capacity expansion and structural differentiation. The industry bid farewell to extensive traffic-driven growth and entered a high-quality, refined operation cycle, with overall market scale achieving steady year-on-year growth. Nevertheless, intensified market competition, rising customer acquisition costs, and uneven recovery across downstream sectors have led brand advertisers to adopt prudent budget allocation strategies, prioritizing marketing efficiency and ROI over blind scale expansion. Consumer market sentiment continued to repair gradually yet remained volatile, bringing both new development opportunities and operational challenges to digital marketing service providers.

We closely follow market trends and focus our 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. Centering on clients' growing demand for efficient, data-driven marketing solutions, we further strengthened our comprehensive integrated marketing and value-added service system. In response to the industry's surging demand for high-conversion marketing content, we continuously empowered in-house content production capabilities covering original texts, premium images and short videos, effectively improving the precision and conversion efficiency of advertising delivery campaigns amid increasingly homogeneous market competition. Our total gross billing increased by approximately 44.7% from approximately RMB963.1 million for the six months ended 30 June 2025 to approximately RMB1,393.8 million for the six months ended 30 June 2026 and our total revenue increased by approximately 16.8% from approximately RMB682.9 million for the six months ended 30 June 2025 to approximately RMB798.0 million for the six months ended 30 June 2026. Our net profit decreased by approximately 6.4% from approximately RMB10.7 million for the six months ended 30 June 2025 to approximately RMB10.0 million for the six months ended 30 June 2026.

Outlook

Looking ahead, the mobile advertising industry is set for steady growth, driven by AI-enabled intelligent marketing as the core developmental trend, alongside sustained fierce market competition and ongoing efficiency-focused industrial structural upgrades. The Group will proactively embrace technological innovation by progressively deploying AI across our full-stack mobile advertising distribution network to intelligently empower the entire business chain spanning automated content creation, precise audience targeting, real-time delivery optimization and data analysis, thereby boosting overall operational and advertising efficiency. We will also continuously upgrade our proprietary business platform to deliver customized, high-ROI and scenario-based advertising solutions, and pursue in-depth technological and business strategic cooperation to strengthen our technological capabilities and service capabilities, capture growth opportunities arising from AI-driven industrial development, and support the Group's sustainable long-term development amid intensifying market 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 30 June 2026, we have established business relationship with three media publishers, which are prominent technology companies in the People's Republic of China ("**PRC**"), and we can distribute mobile ads directly on 10 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 six months ended 30 June 2026, we served 237 customers from various industries, covering technology and internet services, financial services and e-commerce industries mainly in the PRC. Our revenue generated from mobile advertising solutions services increased by approximately 16.2% from approximately RMB680.2 million for the six months ended 30 June 2025 to approximately RMB790.3 million for the six months ended 30 June 2026. Revenue generated from mobile advertising solutions services accounted for approximately 99.0% of our total revenue for the six months ended 30 June 2026.

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 increased by approximately 181.5% from approximately RMB2.7 million for the six months ended 30 June 2025 to approximately RMB7.7 million for the six months ended 30 June 2026.

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 the research report conducted by Shanghai iResearch Co., Ltd., a market research and consulting company in the PRC, media resources are essential to mobile advertising service providers as one of the key competitive factors of mobile advertising service providers in the PRC. For the six months ended 30 June 2026, we are a distributor of three media publishers, which are prominent technology companies in the PRC, and we can distribute mobile ads directly on 10 media platforms as at 30 June 2026 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 internet 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 to understand 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 plan to explore 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 RMB115.1 million or 16.8%, from approximately RMB682.9 million for the six months ended 30 June 2025 to approximately RMB798.0 million for the six months ended 30 June 2026. This increase was mainly due to the increase in demand for the mobile advertising solutions services from customers.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Mobile advertising solutions services (gross method)	**790,339**	680,218
Advertisement distribution services (net method)	**7,659**	2,721
	797,998	682,939

Revenue generated from mobile advertising solutions services

Revenue generated from mobile advertising solutions services increased by approximately RMB110.1 million or 16.2%, from approximately RMB680.2 million for the six months ended 30 June 2025 to approximately RMB790.3 million for the six months ended 30 June 2026. This increase was due to the increase in demand from customers for our mobile advertising solutions services under the enhanced marketing efforts of the Group.

Revenue generated from advertisement distribution services

Revenue generated from advertisement distribution services increased by approximately RMB5.0 million or 181.5%, from approximately RMB2.7 million for the six months ended 30 June 2025 to approximately RMB7.7 million for the six months ended 30 June 2026. The significant increase was mainly due to the volume of advertising distribution services increased, such volume growth was driven by the Group's successful expansion of its active customer base, together with increased marketing budgets from existing clients on the platform.

Cost of services

Cost of services of the Group primarily consists of traffic acquisition costs and employee benefit expenses. The cost of services increased by approximately RMB105.1 million or 16.2%, from approximately RMB649.7 million for the six months ended 30 June 2025 to approximately RMB754.8 million for the six months ended 30 June 2026. Such increase was mainly due to the increase in traffic acquisition costs.

Gross profit and gross profit margin

Gross profit of the Group increased by approximately RMB10.0 million or 30.0%, from approximately RMB33.2 million for the six months ended 30 June 2025 to approximately RMB43.2 million for the six months ended 30 June 2026, which was mainly attributable to a substantial revenue growth in our mobile advertising and distribution services driven by an expanding customer base and higher client budgets vastly outpaced the increase in cost of services. The gross profit margin increased from approximately 4.9% for the six months ended 30 June 2025 to approximately 5.4% for the six months ended 30 June 2026, primarily driven by robust revenue growth in mobile advertising and distribution services supported by a growing customer base and higher client budgets. Revenue growth outpaced the increase in cost of services, alongside a higher revenue contribution from mobile advertising solutions services.

Other net income/(loss)

Other net income/(loss) of the Group primarily consists of net foreign exchange differences, government grant, interest income and others. The other net income increased significantly by approximately RMB5.1 million or 2,886.1%, from approximately RMB0.2 million other net loss for the six months ended 30 June 2025 to approximately RMB4.9 million other net income for the six months ended 30 June 2026 mainly due to the significant increase in government subsidies and net foreign exchange differences.

Selling and marketing expenses

Selling and marketing expenses of the Group primarily consist of employee benefit expenses, entertainment expenses, travelling expenses, office expenses and others. The selling and marketing expenses increased by approximately RMB0.5 million or 28.5%, from approximately RMB1.7 million for the six months ended 30 June 2025 to approximately RMB2.2 million for the six months ended 30 June 2026 mainly due to the increase in employee benefit expenses and entertainment, travelling and office expenses related to the increased business scale.

General and administrative expenses

General and administrative expenses of the Group mainly consist of research and development expenses, employee benefit expenses, depreciation, property utilities expenses, office expenses, entertainment expenses, professional fees, and others. The general and administrative expenses remained stable, from approximately RMB14.9 million for the six months ended 30 June 2025 to approximately RMB15.3 million for the six months ended 30 June 2026.

Impairment loss on trade and other receivables

Impairment loss on trade and other receivables of the Group consists of provision for impairment loss on trade and other receivables. The impairment loss on trade and other receivables increased by approximately RMB13.4 million or 424.2%, from approximately RMB3.2 million for the six months ended 30 June 2025 to approximately RMB16.6 million for the six months ended 30 June 2026. This increase was mainly due to the increase in aged trade and other receivables.

Finance costs

Finance costs of the Group consist of interest expense and interest on lease liabilities. The finance costs increased by approximately RMB1.6 million or 71.4%, from approximately RMB2.2 million for the six months ended 30 June 2025 to approximately RMB3.8 million for the six months ended 30 June 2026, primarily attributable to the increased proceeds from bank loans during the six months ended 30 June 2026.

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 six months ended 30 June 2026. The income tax expense was primarily attributable to the PRC Enterprise Income Tax. The income tax decreased by approximately RMB0.2 million or 35.0%, from approximately RMB0.5 million for the six months ended 30 June 2025 to approximately RMB0.3 million for the six months ended 30 June 2026. The effective tax rate was approximately 4.4% and 3.1% for the six months ended 30 June 2025 and 2026, respectively. Such decrease in income tax was due to the decrease in taxable profit.

Profit for the period

As a result of the foregoing, the profit for the period of the Group decreased by approximately RMB0.7 million or 6.4%, from approximately RMB10.7 million for the six months ended 30 June 2025 to approximately RMB10.0 million for the six months ended 30 June 2026. Net profit margin of the Group decreased from approximately 1.6% for the six months ended 30 June 2025 to approximately 1.2% for the six months ended 30 June 2026, and such decrease was generally due to the increase in impairment loss on trade and other receivables and finance cost and offset the increase in gross profit.

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 six months ended 30 June 2026, the Group principally financed our working capital and other liquidity requirements mainly through a combination of cash generated from our operating activities, proceeds from the Placing and bank and other loans. As at 30 June 2026, the Group had bank and other loans of approximately RMB123.7 million (as at 31 December 2025: approximately RMB137.7 million) while the effective annual weighted interest rates of the bank and other loans were approximately 5.0% (six months ended 30 June 2025: 5.2%) per annum for the six months ended 30 June 2026. The gearing ratio of the Group as at 30 June 2026, calculated based on total borrowings (including bank and other loans and lease liabilities) divided by total equity, was approximately 20.9% (as at 31 December 2025: 25.9%).

The cash and cash equivalents of the Group increased from approximately RMB36.9 million as of 31 December 2025 to approximately RMB60.2 million as of 30 June 2026, mainly due to net proceeds received from the Placing during the period.

CAPITAL EXPENDITURES

The capital expenditures of the Group mainly consisted of expenditures on property and equipment. The Group did not have any material capital commitments as at 31 December 2025 and 30 June 2026.

CONTINGENT LIABILITIES

As of 30 June 2026, the Group had no material contingent liabilities.

Key Financial Ratios

	Six months ended 30 June	
	2026	2025
	(%)	*(%)*
Profitability ratios		
Gross margin[1]	**5.4**	4.9
Net profit margin[2]	**1.2**	1.6

	As of 30 June 2026	As of 30 June 2025
	(%)	*(%)*
Return on equity[3]	**1.4**	1.7
Return on total assets[4]	**1.0**	1.1

	As of 30 June 2026	As of 31 December 2025
Liquidity ratio		
Current ratio[5]	**3.7 times**	2.9 times
Capital adequacy ratio		
Gearing ratio[6]	**20.9%**	25.9%

Notes:

(1) Gross margin is calculated based on the gross profit for the period divided by revenue for the respective period and multiplied by 100%.

(2) Net profit margin is calculated based on the net profit divided by revenue for the respective period and multiplied by 100%.

(3) Return on equity is calculated based on the net profit for the year/period divided by the shareholders' equity as at the respective year/period end and multiplied by 100%.

(4) Return on total assets is calculated based on the net profit for the year/period divided by the total assets as at the respective year/period end and multiplied by 100%.

(5) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the respective year/period end.

(6) Gearing ratio is calculated based on the total debt divided by the total equity as at the respective year/period end and multiplied by 100%. For the purpose of this calculation, total debt includes bank and other loans and lease liabilities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

(Expressed in RMB)

	Note	**Six months ended 30 June** **2026** ***RMB'000***	2025 *RMB'000*
Revenue	3	**797,998**	682,939
Cost of services		**(754,784)**	(649,690)
Gross profit		**43,214**	33,249
Other net income/(loss)	4	**4,896**	(177)
Selling and marketing expenses		**(2,189)**	(1,703)
General and administrative expenses		**(15,267)**	(14,861)
Impairment loss on trade and other receivables	5	**(16,592)**	(3,165)
Profit from operations		**14,062**	13,343
Finance costs	5	**(3,779)**	(2,204)
Profit before taxation	5	**10,283**	11,139
Income tax	6	**(317)**	(488)
Profit for the period		**9,966**	10,651
Other comprehensive income for the period (after tax)			
Item that may be reclassified subsequently to profit or loss:			
– Exchange difference on the translation into presentation currency		**(3,476)**	(284)
Other comprehensive income for the period		**(3,476)**	(284)
Total comprehensive income for the period		**6,490**	10,367
Earning per share			
Basic and diluted *(RMB)*	7	**0.02**	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited

(Expressed in RMB)

	Note	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property and equipment		**2,364**	2,510
Right-of-use assets		**20,843**	24,539
Deferred tax assets		**1,214**	606
Lease receivables		**3,758**	4,349
		28,179	32,004
Current assets			
Trade and other receivables	8	**928,757**	937,763
Restricted bank deposits		**2,655**	6,652
Cash and cash equivalents		**60,181**	36,914
		991,593	981,329
Current liabilities			
Trade and other payables	9	**76,649**	132,989
Contract liabilities		**71,477**	57,740
Bank and other loans		**107,360**	134,988
Lease liabilities		**9,437**	9,465
Current taxation		**5,710**	4,920
		270,633	340,102
Net current assets		**720,960**	641,227
Total assets less current liabilities		**749,139**	673,231

	Note	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Non-current liabilities			
Bank and other loans		**16,300**	2,700
Lease liabilities		**16,748**	20,952
Deferred tax liabilities		**531**	500
		33,579	24,152
Net assets		**715,560**	649,079
Capital and reserves			
Share capital	10	**4,219**	3,537
Reserves		**711,341**	645,542
Total equity		**715,560**	649,079

NOTES

1 GENERAL INFORMATION

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

The Group is principally engaged in the provision of mobile advertising services.

Shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 March 2024 (the "**Listing**").

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, Interim financial reporting, issued by the International Accounting Standards Board ("**IASB**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

2.2 Changes in accounting policies

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments, are relevant to the Group's financial statements. The application of the above amendments in the current period has had no material effect on the Group's condensed consolidated interim financial information.

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

3 REVENUE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Mobile advertising solutions services (gross method)	**790,339**	680,218
Advertisement distribution services (net method)	**7,659**	2,721
	797,998	682,939

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

4 OTHER NET INCOME/(LOSS)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income	**15**	99
Government grant	**1,000**	150
Net foreign exchange differences	**3,610**	1,396
Others	**271**	(1,822)
	4,896	(177)

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest expense	**3,286**	1,711
Interest on lease liabilities	**493**	493
	3,779	2,204

(b) Other items

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Depreciation charge	**3,655**	3,229
– owned property and equipment	**386**	115
– right-of-use assets	**3,269**	3,114
Impairment losses on trade and other receivables	**16,592**	3,165

6 INCOME TAX

Taxation in the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax	**894**	628
Deferred tax	**(577)**	(140)
	317	488

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 in the PRC, certain subsidiaries of the Group are entitled to a reduced tax rate of 0% to 15% during the periods 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.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB9,966,000 (six months ended 30 June 2025: RMB10,651,000) and the weighted average of 514,917,000 ordinary shares (2025: 500,000,000 shares) in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares for the six months ended 30 June 2026 and 2025.

8 TRADE AND OTHER RECEIVABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 6 months	**461,763**	593,565
6 to 12 months	**183,191**	107,353
12 to 24 months	**66,416**	1,941
Trade receivables, net of loss allowance	**711,370**	702,859
Prepayments to suppliers	**204,002**	213,239
Rebates due from media partners	**550**	7,433
Deposits paid to media partners	**2,327**	723
Deductible input value added tax	**3,042**	7,282
Lease receivables	**2,116**	1,799
Amounts due from a shareholder	**28**	28
Others	**5,322**	4,400
	928,757	937,763

Trade receivables are generally due within 90 days from the date of invoicing. The ageing analysis of trade receivables included in "trade and other receivables" is prepared based on the date of revenue recognition, net of loss allowance.

9 TRADE AND OTHER PAYABLES

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 3 months	**30,471**	59,447
3 to 6 months	**192**	470
6 months to 1 year	**88**	–
Trade payables	**30,751**	59,917
Cost payable to media partners on behalf of customers	**17,193**	41,191
Other taxes and levies payables	**16,380**	18,937
Staff cost payables	**2,735**	3,649
Customers deposits	**2,200**	2,220
Other payables	**7,390**	7,095
	76,649	132,989

The ageing analysis of trade payables included in "trade and other payables" is prepared based on the date of recognition of purchase.

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The directors of the Group did not propose the payment of any dividend during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

(b) Share capital

	Six months ended 30 June 2026		Year ended 31 December 2025	
	No. of shares '000	***RMB'000***	*No. of shares '000*	*RMB'000*
Ordinary shares, issued and fully paid:				
At 1 January	**500,000**	**3,537**	500,000	3,537
Shares issued	**100,000**	**682**	–	–
At 30 June/31 December	**600,000**	**4,219**	500,000	3,537

The Group completed the Placing on 4 June 2026, 100,000,000 new ordinary shares of USD0.001 have been issued at the placing price of HK$0.7 per share. The proceeds of HK$783,000 (equivalent to approximately RMB682,000), representing the par value of the new shares, were credited to the Company's share capital account. The remaining proceeds of HK$69,217,000 (equivalent to approximately RMB60,222,000), net of relevant expenses of RMB913,000, were credited to the share premium account.

OTHER INFORMATION

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the five largest customers and the largest customer of the Group accounted for approximately RMB438.6 million and RMB119.2 million, respectively, representing approximately 55.0% and 14.9%, respectively, of the total revenue of the Group for the six months ended 30 June 2026. Purchases attributable to the five largest suppliers and the largest supplier of the Group accounted for approximately RMB745.5 million and RMB651.7 million, respectively, representing approximately 98.8% and 86.3%, respectively, of the cost of services of the Group for the six months ended 30 June 2026.

None of the Directors, nor any of their close associates (as defined in the Listing Rules), nor any Shareholders (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 six months ended 30 June 2026.

EMPLOYEES

As at 30 June 2026, the Group had 250 full-time employees (as at 31 December 2025: 281), all of whom were based in the PRC. Total staff costs for the six months ended 30 June 2026 were approximately RMB18.3 million (six months ended 30 June 2025: approximately RMB14.7 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.

USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

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$85.5 million (equivalent to approximately RMB78.7 million) (the "**Net Proceeds**").

As of 30 June 2026, the utilisation of the Net Proceeds is detailed as follows:

Future Plans	**% of the Net Proceeds**	**HK$ million**	**Utilised Net Proceeds as of 31 December 2025** *HK$ million*	**Utilised Net Proceeds during the six months ended 30 June 2026** *HK$ million*	**Unutilised Net Proceeds as of 30 June 2026** *HK$ million*	**Expected timeline of fully utilise the use of Net Proceeds**
To expand our mobile advertising business in the PRC	40.0	34.1	34.1	–	–	–
To expand our short video production capacities	20.0	17.1	17.1	–	–	–
To enhance and upgrade the functions of our self- developed platform	20.0	17.1	17.1	–	–	–
To explore business collaboration and merger and acquisition opportunities with well-established companies	10.0	8.6	–	–	8.6	By 31 December 2026
General working capital	10.0	8.6	8.6	–	–	–
Total	100.0	85.5	76.9	–	8.6	

During the period from the date of Listing (i.e. 8 March 2024) and up to 30 June 2026, the Net Proceeds had been used according to the purposes as stated in the prospectus of the Company dated 29 February 2024 (the "**Prospectus**"). As at the date of this announcement, the unutilised amount allocated to exploration of business collaboration and merger and acquisition opportunities remains unchanged in purpose. The delay in utilisation was mainly due to the absence of suitable acquisition targets meeting the Group's investment criteria. The Board currently expects such proceeds to be utilised on or before 31 December 2026.

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.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE DURING THE PERIOD

On 21 May 2026, the Company and the Placing Agent entered into the placing agreement, pursuant to which the Company conditionally agreed to place, through the Placing Agent on a best effort basis, an aggregate of up to 100,000,000 Placing Shares to Placees who and whose ultimate beneficial owners are independent third parties of the Company and its connected persons. On 4 June 2026, the Company announced that all conditions set out in the Placing Agreement had been fulfilled and the Placing was completed. An aggregate of 100,000,000 Placing Shares, representing 20.0% of the entire issued share capital of the Company as at the date of the Placing Agreement and approximately 16.7% of the Company's enlarged issued share capital upon the allotment and issue of the Placing Shares, were successfully placed to not less than six Placees at the Placing Price of HK$0.700 per Placing Share. The Placing Shares rank *pari passu* in all respects with the existing issued ordinary shares of the Company and were granted listing and permission to trade on The Stock Exchange of Hong Kong Limited upon allotment. The Placing Shares were issued under the general mandate granted by the shareholders at the annual general meeting of the Company held on 16 June 2025.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Placees and, where applicable, their ultimate beneficial owners is an Independent Third Party and is not connected with, nor acting in concert with, the Company and its connected persons.

The net proceeds from the Placing, after deducting all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, amounted to approximately HK$68.9 million. The net proceeds are expected to be fully utilised within 12 months from the completion date of the Placing. The detailed breakdown of the intended allocation and utilisation status of the net proceeds from the Placing as at 30 June 2026 is set out below:

	% of the net proceeds	Intended uses HK$ million	Utilised as at 30 June 2026 HK$ million	Unutilised as at 30 June 2026 HK$ million	Expected timeline of fully utilise the use of net proceeds
Technology upgrade in relation to AI short video production and AI advertising technology research and development	35.0	24.1	9.6	14.5	By the end of June 2027
Business development of expansion of customer base	55.0	37.9	33.4	4.5	By the end of June 2027
General working capital	10.0	6.9	4.9	2.0	By the end of June 2027
Total	100.0	68.9	47.9	21.0	

The Directors considered that the Placing represented an opportunity to raise additional funding for the business operations of the Group and strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn establish and strengthen the existing and future business of the Group, enhance the liquidity of the Shares, and provide working capital to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the sections headed "Use of Net Proceeds from the initial public offering" and "Issue of new shares under general mandate during the period" 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 six months ended 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

No material events occurred subsequent to 30 June 2026 and up to the date of this announcement.

INTERIM DIVIDEND

The Directors did not propose the payment of any dividend for the six months ended 30 June 2026.

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 had complied with the requirements set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

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, as amended from time to time, (the "**Model Code**") 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 six months ended 30 June 2026.

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 (including treasury shares) of the Company during the six months ended 30 June 2026 and up to the date of this announcement.

AUDIT COMMITTEE

The Company established the audit committee (the "**Audit Committee**") on 21 February 2024 with written terms of reference in compliance with 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.

This announcement is prepared by extracting the relevant information from the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

The interim results of the Company for the six months ended 30 June 2026 are unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants, whose review report will be included in the interim report to be sent to shareholders. The Audit Committee has, together with the management, reviewed the accounting policies adopted by the Group. They also discussed risk management, internal controls of the Group and financial reporting matters, including having reviewed and agreed to the unaudited interim condensed consolidated financial information during the interim reporting period and this announcement.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2026 INTERIM REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lscx.com.cn). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be 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, 28 August 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.