

Lesi Group Limited 樂思集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2540



2025

INTERIM REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Zhao Libing (*Chairman of the Board*)
Mr. Yu Canliang (*Chief executive officer*)
Ms. Shu Qing
Mr. Nie Jiang

NON-EXECUTIVE DIRECTOR

Ms. Chang Qing

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lu Yao
Ms. Zheng Hong
Mr. Hu Hui

JOINT COMPANY SECRETARIES

Mr. Lee Cheuk Wang
Mr. Nie Jiang

AUDIT COMMITTEE

Mr. Hu Hui (*Chairman*)
Mr. Lu Yao
Ms. Zheng Hong

REMUNERATION COMMITTEE

Mr. Lu Yao (*Chairman*)
Mr. Hu Hui
Ms. Zheng Hong

NOMINATION COMMITTEE

Mr. Zhao Libing (*Chairman*)
Mr. Lu Yao
Ms. Zheng Hong
Mr. Hu Hui

AUTHORISED REPRESENTATIVES

Mr. Lee Cheuk Wang
Mr. Nie Jiang

AUDITORS

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council
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HONG KONG LEGAL ADVISERS

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COMPLIANCE ADVISER

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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CORPORATE INFORMATION**PRINCIPAL PLACE OF BUSINESS
IN HONG KONG**

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Hong Kong

PRINCIPAL BANKERS

Beijing Bank
Internet Financial Centre Branch
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Beijing, PRC

China Merchants Bank
Wangjing Branch
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No.15 Nanhu South Road
Chaoyang District
Beijing, PRC

**PRINCIPAL SHARE REGISTRAR
AND TRANSFER OFFICE IN
THE CAYMAN ISLANDS**

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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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Hong Kong

STOCK CODE

2540

COMPANY WEBSITE

www.lscx.com.cn

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025 RMB'000	2024 RMB'000	Change
Revenue	682,939	300,519	127.3%
Gross profit	33,249	42,998	-22.7%
Profit before taxation	11,139	29,710	-62.5%
Profit for the period attributable to equity shareholders of the Company	10,651	28,274	-62.3%

CHAIRMAN'S STATEMENT

Dear Shareholders,

I, on behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Lesi Group Limited (the “**Company**”), hereby present the interim report of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025.

RESULTS

For the six months ended 30 June 2025, our Group recorded revenue of approximately RMB682.9 million, representing a period-on-period increase of approximately 127.3% from approximately RMB300.5 million for the six months ended 30 June 2024. Our net profit decreased by approximately 62.6% to approximately RMB10.7 million for the six months ended 30 June 2025 from approximately RMB28.6 million for the six months ended 30 June 2024. Basic earnings per share for the six months ended 30 June 2025 was approximately RMB0.02 as compared to approximately RMB0.06 for the six months ended 30 June 2024. For the six months ended 30 June 2025, we served 188 customers from various industries, covering technology and internet services, financial services and e-commerce industries in the People's Republic of China (the “**PRC**”).

Our Group has adopted a prudent financial management approach towards its funding and treasury policies to ensure healthy and safe key financial indicators.

BUSINESS REVIEW

With the gradual recovery of the macro economy in 2025 and the structural recovery of the consumer market, the company's revenue has achieved significant growth, but the significant decline in profitability was mainly due to the reduction of industry media rebates. We will continue to ensure high-quality development of the group's business through refined management. As the permeability and total usage hours of large media platforms continue to rise, new business development opportunities continue to emerge from the content ecosystems of short videos, interest-based e-commerce, and social platforms. The Group keeps abreast of the latest market trends and changes to develop comprehensive marketing solutions for its clients. Moreover, the Company actively applies the ever-maturing generative artificial intelligence (“**AI**”) technology in our content production process, integrating it into the generation and production process of our advertisement texts, images, videos and other materials, so as to enhance our content production capacity and delivery optimization efficiency.

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 the Group's ability to generate high-quality content, including text, images, and short videos, to improve the marketing effectiveness of advertising campaigns. For the six months ended 30 June 2025, our total gross billing increased by approximately 121.3% from approximately RMB435.2 million for the six months ended 30 June 2024 to approximately RMB963.1 million for the six months ended 30 June 2025 and our total revenue increased by approximately 127.3% from approximately RMB300.5 million for the six months ended 30 June 2024 to approximately RMB682.9 million for the six months ended 30 June 2025. Meanwhile, as at 30 June 2025, we have established business relationship with four media publishers, which are prominent technology companies in the PRC, and we can distribute mobile ads directly on 17 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.

CHAIRMAN'S STATEMENT

OUTLOOK

Going forward, the Company will capitalise on new opportunities in the industry and move into a new phase of business development. The Company will develop business resources with digital media in a more proactive manner and further expand our mobile ad distribution network to enhance our competitiveness in the industry, including stable and high traffic media platforms in the industry, as well as fast-growing specific user interest marketing platforms with strong growth potential. The Company will also closely follow the changes in market demand, further expand our customer sales network, actively broaden our customer base in the fast-growing field of mobile advertising, and strengthen the depth of business cooperation with our customers.

The Company will apply AI technology in a robust but proactive manner, applying commercially viable AI technology in the digital marketing business to drive efficiency improvements across the entire marketing chain, from content material production to delivery optimization. We will actively test new technologies in the short video production workflow and integrate them into mainstream AI generation platforms both domestically and internationally. We conduct business tests in AI-driven content generation, including creativity, scripting, text, images and short videos. Going forward, we will continue to focus on and enhance our AI-generated content, utilise AI technology to enhance our short video production process, and will explore business opportunities in this area in a flexible manner. The Company will also continue to explore opportunities and apply technology into our business, including continuous upgrading of our own business platform to better design and develop more effective mobile advertising solutions.

We further propose to seek opportunities to cooperate with or invest in well-established companies which will 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.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express our gratitude to all shareholders, business partners and customers for their ongoing support and trust to our Group, as well as to our Board members, management team and staff for their dedication and contributions over the year. In the second half year of 2025, we will continue to expand our business in order to create greater value for our shareholders.

Zhao Libing

Chairman of the Board and Executive Director

Hong Kong, 29 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

In the first half year of 2025, the macroeconomy is gradually recovering, and the consumer market showed signs of structural recovery. We ensure high-quality development of the Group's business through refined management and ensure steady growth in the Group's revenue. Due to varying pace of recovery across industries and the uncertainties in the overall business environment, there remains potential for enhancing consumer market sentiment. This has resulted in enterprises adopting a cautious approach towards business development and marketing promotions, as they await the restoration of market confidence.

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 the company's 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 121.3% from approximately RMB435.2 million for the six months ended 30 June 2024 to approximately RMB963.1 million for the six months ended 30 June 2025 and our total revenue increased by approximately 127.3% from approximately RMB300.5 million for the six months ended 30 June 2024 to approximately RMB682.9 million for the six months ended 30 June 2025. Our net profit decreased by approximately 62.6% from approximately RMB28.6 million for the six months ended 30 June 2024 to approximately RMB10.7 million for the six months ended 30 June 2025.

Mobile advertising solutions services

Our 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 2025, we have established business relationship with four media publishers, which are prominent technology companies in the PRC, and we can distribute mobile ads directly on 17 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 2025, we served 188 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 137.8% from approximately RMB286.0 million for the six months ended 30 June 2024 to approximately RMB680.2 million for the six months ended 30 June 2025. Revenue generated from mobile advertising solutions services accounted for approximately 99.6% of our total revenue for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

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 81.4% from approximately RMB14.5 million for the six months ended 30 June 2024 to approximately RMB2.7 million for the six months ended 30 June 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 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 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 17 media platforms as at 30 June 2025 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, our 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'

MANAGEMENT DISCUSSION AND ANALYSIS

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 our Group and enhance our profitability. Our inhouse 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.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue of the Group increased by approximately RMB382.4 million or 127.3%, from approximately RMB300.5 million for the six months ended 30 June 2024 to approximately RMB682.9 million for the six months ended 30 June 2025. 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 periods indicated are set forth in the table below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Mobile advertising solutions services (gross method)	680,218	285,989
Advertisement distribution services (net method)	2,721	14,530
	682,939	300,519

Revenue generated from mobile advertising solutions services

Revenue generated from mobile advertising solutions services increased by approximately RMB394.2 million or 137.8%, from approximately RMB286.0 million for the six months ended 30 June 2024 to approximately RMB680.2 million for the six months ended 30 June 2025. 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 decreased by approximately RMB11.8 million or 81.4%, from approximately RMB14.5 million for the six months ended 30 June 2024 to approximately RMB2.7 million for the six months ended 30 June 2025. Affected by the company's 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 due to the decline in transaction fee rate.

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 RMB392.2 million or 152.3%, from approximately RMB257.5 million for the six months ended 30 June 2024 to approximately RMB649.7 million for the six months ended 30 June 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 RMB9.8 million or 22.8%, from approximately RMB43.0 million for the six months ended 30 June 2024 to approximately RMB33.2 million for the six months ended 30 June 2025, which was mainly due to the decrease in rebates from media partners as a result of the change of their rebate policies. The gross profit margin significantly decreased from approximately 14.3% for the six months ended 30 June 2024 to approximately 4.9% for the six months ended 30 June 2025 mainly due to the decrease in the rates of rebates from media partners as a result of the change of their rebate policies of the Group as their business plans may vary from time to time and increase in population of revenue generated from mobile advertising solution services.

MANAGEMENT DISCUSSION AND ANALYSIS

Other net (loss)/income

Other net (loss)/income of the Group primarily consists of interest income, government grant and others. The other net (loss)/income decreased significantly by approximately RMB3.9 million or 105.4%, from approximately RMB3.7 million other net income for the six months ended 30 June 2024 to approximately RMB0.2 million other net loss for the six months ended 30 June 2025 mainly due to the decrease in interest income and government subsidies.

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 RMB0.4 million or 30.8%, from approximately RMB1.3 million for the six months ended 30 June 2024 to approximately RMB1.7 million for the six months ended 30 June 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 consists 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 increased by approximately RMB4.1 million or 38.0%, from approximately RMB10.8 million for the six months ended 30 June 2024 to approximately RMB14.9 million for the six months ended 30 June 2025. Such increase was primarily attributed to the increase in research and development expenses due to the expansion of research and development department, 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.

Impairment losses on trade and other receivables

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 decreased by approximately RMB0.3 million or 8.6%, from approximately RMB3.5 million for the six months ended 30 June 2024 to approximately RMB3.2 million for the six months ended 30 June 2025. This decrease was mainly due to the decrease 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 RMB0.8 million or 57.1%, from approximately RMB1.4 million for the six months ended 30 June 2024 to approximately RMB2.2 million for the six months ended 30 June 2025, primarily attributable to the increase in factoring fees and interest on lease liabilities and partially offset the decreased interest on bank loans.

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 2025. The income tax expense was primarily attributable to the PRC Enterprise Income Tax. The income tax decreased by approximately RMB0.7 million or 58.3%, from approximately RMB1.2 million for the six months ended 30 June 2024 to approximately RMB0.5 million for the six months ended 30 June 2025. The effective tax rate was approximately 3.9% and 4.4% for the six months ended 30 June 2024 and 2025, respectively. The low effective tax rates were primarily because some of the subsidiaries of the Group in the PRC were entitled to a tax-free period during the period concerned and a subsidiary of the Group in the PRC is recognised as a high-tech enterprise and enjoyed a preferential tax rate of 15% for the six months ended 30 June 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the period

As a result of the foregoing, the profit for the period of the Group decreased by approximately RMB17.9 million or 62.6%, from approximately RMB28.6 million for the six months ended 30 June 2024 to approximately RMB10.7 million for the six months ended 30 June 2025. Net profit margin of the Group decreased from approximately 9.5% for the six months ended 30 June 2024 to approximately 1.6% for the six months ended 30 June 2025 and such decrease was generally due to the decrease in gross profit and partially offset the increase in selling and general and administration expenses.

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 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 30 June 2025, the Group had bank borrowings of approximately RMB94.7 million (as at 31 December 2024: approximately RMB36.7 million) while the effective annual weighted interest rates of the bank and other loans were approximately 5.2% (six months ended 30 June 2024: 4.8%) per annum for the six months ended 30 June 2025. 97% of borrowings are repayable on demand or within one year and the rest of the borrowings are due on 26 June 2027. All of our borrowings are denominated in RMB. As at 30 June 2025, RMB5.0 million (As at 31 December 2024: RMB10.0 million) our bank loans were variable rate loans while the rest of the borrowings were fixed rate loans. Fluctuation of interest rate will not have significant impact to the Group. The gearing ratio of the Group as at 30 June 2025, calculated based on total borrowings (including bank and other loans and lease liabilities) divided by total equity, was approximately 20.4% (as at 31 December 2024: 6.5%).

The cash and cash equivalents of the Group decreased from approximately RMB149.4 million as at 31 December 2024 to approximately RMB106.3 million as at 30 June 2025, mainly due to the cash used in operating activities partially offset the cash generated from financing activities. The Group's cash and bank balances are mainly denominated in RMB or HK\$. We generally deposit our excess cash in interest bearing bank accounts. Our principal uses of cash have been for funding working capital, purchase of property, plant and equipment and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by using fund from a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time.

We regularly monitor our liquidity requirements to ensure that we maintain sufficient cash resources for working capital and capital expenditure needs. For the six months ended 30 June 2025, we did not experience any difficulties in settling our obligations in the normal course of business, which would have had a material impact to our business, financial condition or results of operations.

Capital expenditures

The capital expenditures of the Group are mainly consisted of expenditures on property and equipment and acquisition of subsidiary. The Group did not have any material capital commitments as at 31 December 2024 and 30 June 2025.

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign exchange exposures

Foreign exchange risk refers to the risk of loss caused by the changes in foreign exchange rates. The operations of the Group are mainly located in the PRC with most transactions denominated and settled in Renminbi.

During the six months ended 30 June 2025, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk, as the expected foreign exchange risk is not significant. The Directors and senior management of the Company will continue to closely monitor the foreign exchange exposure and take measures when necessary to ensure that the foreign exchange risk is within the controllable range.

Funding and treasury policies

Funding requirements are monitored by the Group and liquidity review is performed from time to time. This approach takes into account the maturity of the Group's financial instruments, financial assets and liabilities, projected cash flows from operations and the general working capital requirements. The Group aims to consider both continuity of funding and flexibility through the effective use of its internal financial resources, bank and other borrowings and trade finance banking facilities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 30 June 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENT HELD

As at 30 June 2025, the Group did not hold any significant investment.

CHARGE ON ASSETS AND PLEDGE OF ASSETS

As at 30 June 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).

BANK LOANS

Bank loans of the Group increased to approximately RMB94.7 million as at 30 June 2025 from approximately RMB36.7 million as at 31 December 2024, which was primarily because we have increased the utilization of bank loans to support our capital needs caused by the increase in gross billing.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, save as disclosed in this report, the Group did not have any other immediate plans for material investments and capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Ratios

	Six months ended 30 June	
	2025 (%)	2024 (%)
Profitability ratios		
Gross margin ⁽¹⁾	4.9	14.3
Net profit margin ⁽²⁾	1.6	9.5
	As of 30 June 2025 (%)	As of 30 June 2024 (%)
Return on equity ⁽³⁾	1.7	10.1
Return on total assets ⁽⁴⁾	1.1	7.0
	As of 30 June 2025	As of 31 December 2024
Liquidity ratio		
Current ratio ⁽⁵⁾	2.9 times	4.0 times
Capital adequacy ratio		
Gearing ratio ⁽⁶⁾	20.4	6.5

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE

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 Appendix C1 to the Listing Rules during the six months ended 30 June 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, 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 2025.

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 2025 and up to the date of this report.

USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 March 2024 (the “**Listing**”). 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 HKD85.5 million (equivalent to approximately RMB78.7 million) (the “**Net Proceeds**”). The Net Proceeds of approximately HKD85.5 million will be applied in the manner as set out below:

Future Plans	% of the Net Proceeds	HK\$ million	Expected timeline of fully utilise the use of Net Proceeds	Utilised Net Proceeds as of 31 December 2024 HK\$ million	Utilised Net Proceeds during the six months ended 30 June 2025 HK\$ million	Unutilised Net Proceeds as of 30 June 2025 HK\$ million
To expand our mobile advertising business in the PRC	40.0	34.1	By 31 December 2025	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 31 December 2025	–	–	8.6
General working capital	10.0	8.6	–	8.6	–	–
Total	100.0	85.5		45.8	28.6	11.1

During the six months ended 30 June 2025, the Net Proceeds had been used according to the purposes 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 or identify 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not propose the payment of any dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the five largest customers and the largest customer of the Group accounted for approximately RMB495.3 million and RMB150.5 million, respectively, representing approximately 72.5% and 22.0%, respectively, of the total revenue of the Group for the six months ended 30 June 2025. Purchases attributable to the five largest suppliers and the largest supplier of the Group accounted for approximately RMB643.9 million and RMB583.1 million, respectively, representing approximately 99.1% and 89.7%, respectively, of the cost of services of the Group for the six months ended 30 June 2025.

Different suppliers/customers under the same holding group or company were grouped together for the purpose of calculating the contribution from top five customers/suppliers.

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 2025.

INFORMATION ON EMPLOYEES

As at 30 June 2025, the Group had 226 full-time employees (As at 31 December 2024: 150), all of whom were based in PRC. Total staff costs were approximately RMB14.7 million for the six months ended 30 June 2025, as compared to approximately RMB11.1 million for the six months ended 30 June 2024. As required under PRC regulations, we participate 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.

SHARE OPTION SCHEME

The existing share option scheme of the Company (the **"Share Option Scheme"**) was approved for adoption pursuant to a written resolution of the Shareholders passed on 21 February 2024 (the **"Adoption Date"**) for the purpose of providing incentive and/or reward to eligible person for their contribution to and continuing effort to promote the interests of the Group. As at the date of this report, the remaining life of the Share Option Scheme is approximately nine years.

A summary of the principal terms of the Share Option Scheme is set out below:

i. Eligible persons

The Board may, at its absolute discretion, offer to grant options to the following persons:

- (i) any director (including independent non-executive director) and employee (whether full time or part time) of the Company or the Group who in the sole discretion of the Board has contributed or will contribute to the Group (the **"Employee Participant"**);
- (ii) any director and employee of the holding companies, fellow subsidiaries or associated companies of the Company (the **"Related Entity Participant"**); or

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (iii) any person providing services to the Group on a continuing and recurring basis in its ordinary and usual course of business of the Group, the grant of share options (the **"Share Option(s)"**) to whom is in the interests of the long-term growth of the Group as determined by the Board, namely any person providing advisory services and/or consultancy services to the Group after stepping down from an employment or director position with the Group and any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to the Group as consultants, independent contractors or agents where the continuity and frequency of their services are akin to those of employees but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of the Company or its Subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity (the **"Service Provider"**).

ii. Maximum number of Shares available for issue

The total number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and any other scheme(s) of our Company must not in aggregate exceed 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (i.e. not exceeding 50,000,000 Shares) (the **"General Scheme Limit"**) or the relevant date of approval of the refreshment of the General Scheme Limit.

Within the General Scheme Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Option Scheme and any other schemes shall not in aggregate exceed 1% of the number of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange or the relevant date of approval of the refreshment of the Service Provider Sublimit (the **"Service Provider Sublimit"**).

The General Scheme Limit and the Service Provider Sublimit may be refreshed by ordinary resolution of the Shareholders in general meeting every three years from the date of the Shareholders' approval for the last refreshment (or the Adoption Date).

As at 30 June 2025, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme and therefore the total number of Shares available for grant under the General Scheme Limit was 50,000,000 Shares, representing 10% of the issued share capital of the Company, and the total number of Shares available for grant under the Service Provider Sublimit was 5,000,000 Shares, representing 1% of the issued share capital of the Company.

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the Shares in issue of the Company for the time being.

As no options had ever been granted under the Share Option Scheme, the number of shares that may be issued in respect of options granted thereunder during period under review represents 0% of the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the period concerned.

iii. Life of the Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Adoption Date, following which period no further grant of Share Options shall be offered but in all other respects the Share Option Scheme shall continue in full force and effect to the extent necessary to give effect to the exercise of any Share Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Any Share Options granted prior to such termination, including Share Options exercised or outstanding under the Share Option Scheme, shall continue to be valid and exercisable in accordance with the Share Option Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

iv. Exercise price

The exercise price of any particular Share Option granted under the Share Option Scheme shall be a price determined by the Board and notified to an Eligible Person, and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made to an Eligible Person, which must be a Business Day (the "Offer Date"); (ii) the average closing price of the Shares as stated in Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date. Where a Share Option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such Share Option.

v. Consideration

Consideration of HK\$1.00 is required to be paid by the Eligible Person for the grant under the Share Option Scheme and such payment must be made within 21 days from the date on which the Share Option is granted.

vi. Vesting period and exercise period

The Share Options to be granted under the Share Option Scheme shall be subject to a minimum vesting period of 12 months during which unvested Share Options shall not become vested and exercisable. Any shorter vesting period in respect of Share Options granted to Employees Participants must be approved by the Board and/or the Remuneration Committee (for Share Options granted to the Directors or senior managers) at the Directors' discretion, provided that such Grantee(s) has been specifically identified by the Board before granting such approval. A Share Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the Offer Date but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof.

CHANGE IN DIRECTOR INFORMATION

Since the date of the 2024 annual report of the Company and up to the date of this report, there is no change of directors' information required to be disclosed pursuant to the Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Listing Date, the interests and short positions of the Directors and the chief executive of our Company in the Shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in our Company

Name	Nature of interest	Interests in Shares ⁽¹⁾	Approximate percentage shareholding
Mr. Zhao ⁽²⁾	Interest in a controlled corporation	356,250,000 (L)	71.25%
Mr. Yu ⁽³⁾	Interest in a controlled corporation	356,250,000 (L)	71.25%
Ms. Shu ⁽⁴⁾	Interest of spouse	356,250,000 (L)	71.25%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) Ka Lok Holdings Limited (“**Ka Lok BVI**”) is owned as to 57.77% by Quartet Yutong Holdings Limited (“**Quartet Yutong BVI**”), which is in turn solely owned by Mr. Zhao. By virtue of the SFO, each of Quartet Yutong BVI and Mr. Zhao is deemed to be interested in the Shares in which Ka Lok BVI is interested.
- (3) Ka Lok BVI is owned as to 35.55% by Remit Sheng Holdings Limited (“**Remit Sheng BVI**”), which is in turn solely owned by Mr. Yu. By virtue of the SFO, each of Remit Sheng BVI and Mr. Yu is deemed to be interested in the Shares in which Ka Lok BVI is interested.
- (4) Ms. Shu is the spouse of Mr. Yu. By virtue of the SFO, Ms. Shu is deemed to be interested in all the Shares held by Mr. Yu.

Interests in associated corporations of our Company

Name of Associated corporation	Name of Director	Nature of interest	Number of shares interested	Approximately percentage of shareholding
Ka Lok BVI	Mr. Zhao ⁽¹⁾	Interest of a controlled corporation	5,777	57.77%
	Mr. Yu ⁽²⁾	Interest of a controlled Corporation	3,555	35.55%
	Ms. Shu ⁽³⁾	Interest of a controlled corporation	667	6.67%
	Mr. Nie ⁽⁴⁾	Interest of a controlled corporation	1	0.01%

Notes:

- (1) Mr. Zhao holds the entire equity interest in Quartet Yutong BVI, which holds 5,777 shares of Ka Lok BVI.
- (2) Mr. Yu holds the entire equity interest in Remit Sheng BVI, which holds 3,555 shares of Ka Lok BVI.
- (3) Ms. Shu holds the entire equity interest in Jing Sing Holdings Limited (“**Jing Sing BVI**”), which holds 667 shares of Ka Lok BVI.
- (4) Mr. Nie holds the entire equity interest in Jiang Oofy Holdings Limited (“**Jiang Oofy BVI**”), which holds 1 share of Ka Lok BVI.

Save as disclosed above, as of the Listing Date, none of the Directors or the chief executive of our Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to our Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of the Listing Date, to the best knowledge of the Directors, the following persons (other than being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest held	Number of Shares ⁽¹⁾	Approximate percentage of shareholding held in the Company
Ka Lok BVI ⁽²⁾	Beneficial owner	356,250,000 (L)	71.25%
Quartet Yutong BVI ⁽³⁾	Interest in a controlled corporation	356,250,000 (L)	71.25%
Remit Sheng BVI ⁽⁴⁾	Interest in a controlled corporation	356,250,000 (L)	71.25%

Notes:

⁽¹⁾ The letter "L" denotes the person's long position in our Shares.

⁽²⁾ Ka Lok BVI is owned as to (i) 57.77% by Quartet Yutong BVI, which is solely owned by Mr. Zhao, (ii) 35.55% by Remit Sheng BVI, which is solely owned by Mr. Yu, (iii) 6.67% by Jing Sing BVI, which is solely owned by Ms. Shu, the spouse of Mr. Yu, and (iv) 0.01% by Jiang Oofy BVI, which is solely owned by Mr. Nie. By virtue of the SFO, (i) each of Quartet Yutong BVI and Mr. Zhao and (ii) each of Remit Sheng BVI and Mr. Yu are deemed to be interested in all the Shares held by Ka Lok BVI.

⁽³⁾ Ka Lok BVI is owned as to 57.77% by Quartet Yutong BVI, which is in turn solely owned by Mr. Zhao. By virtue of the SFO, each of Quartet Yutong BVI and Mr. Zhao is deemed to be interested in the Shares in which Ka Lok BVI is interested.

⁽⁴⁾ Ka Lok BVI is owned as to 35.55% by Remit Sheng BVI, which is in turn solely owned by Mr. Yu. By virtue of the SFO, each of Remit Sheng BVI and Mr. Yu is deemed to be interested in the Shares in which Ka Lok BVI is interested.

Save as disclosed above, as of the Listing Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

AUDIT COMMITTEE

The Company established the audit committee ("**the Audit Committee**") on 21 February 2024 with written terms of reference in compliance with code provisions set out in Part 2 to 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 interim financial report for the six months ended 30 June 2025 is 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 is included at page 22 of this interim report. The Audit Committee has reviewed this report and the Company's unaudited condensed consolidated financial statements for the six months ended 30 June 2025 and confirmed that it has complied all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of financial reporting.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to our Company and within knowledge of the Directors, our Company has maintained a sufficient public float as required under the Listing Rules the six months ended 30 June 2025 and up to the date of this report.

SUBSEQUENT EVENTS

In July 2025, a subsidiary of the Group entered into guarantee contracts with certain media platform suppliers, pursuant to which the subsidiary of the Group agreed to provide guarantee in favour of these suppliers to secure payment obligations of certain subsidiaries of the Group arising from acquisition of advertising space on such media platforms. In July 2025, Mr. Zhao Libing entered into a guarantee contract with these media platform suppliers of and agreed to provide a guarantee in favour of these media platform suppliers to secure payment obligations of the Group in relation to the acquisition of advertising space from these media platform suppliers. Save as disclosed above, no other material events happened subsequent to the Report Period and up to the date of this report.

PUBLICATION

This report is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lscx.com.cn) respectively.

REVIEW REPORT OF THE AUDITORS



Review report to the board of directors of Lesi Group Limited

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 23 to 36 which comprises the consolidated statement of financial position of Lesi Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) as of 30 June 2025 and the related consolidated statement of comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim financial reporting, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, as issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim financial reporting.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

29 August 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Revenue	3	682,939	300,519
Cost of services		(649,690)	(257,521)
Gross profit		33,249	42,998
Other net (loss)/income	4	(177)	3,741
Selling and marketing expenses		(1,703)	(1,300)
General and administration expenses		(14,861)	(10,817)
Impairment loss on trade and other receivables	5	(3,165)	(3,520)
Profit from operations		13,343	31,102
Finance costs	5	(2,204)	(1,392)
Profit before taxation	5	11,139	29,710
Income tax	6	(488)	(1,150)
Profit for the period		10,651	28,560
Other comprehensive income for the period (after tax):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange difference on the translation into presentation currency		(284)	2,837
Other comprehensive income for the period		(284)	2,837
Total comprehensive income for the period		10,367	31,397
Profit for the period attributable to:			
Equity shareholders of the company		10,651	28,274
Non-controlling interests		–	286
Profit for the period		10,651	28,560

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Total comprehensive income attributable to:			
Equity shareholders of the company		10,367	31,111
Non-controlling interests		–	286
Total comprehensive income for the period		10,367	31,397
Earnings per share			
Basic and diluted (RMB)	7	0.02	0.06

The notes on pages 29 to 36 form part of this interim financial report. Details of dividends payable to equity shareholders of the company are set out in note 11.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited
(Expressed in RMB)

	Note	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment		2,480	601
Right-of-use assets	8	31,513	3,751
Intangible assets		272	–
Deferred tax assets		480	397
		34,745	4,749
Current assets			
Trade and other receivables	9	835,892	661,484
Restricted bank deposits		–	7
Cash and cash equivalents		106,346	149,421
		942,238	810,912
Current liabilities			
Trade and other payables	10	200,895	148,949
Contract liabilities		21,322	8,809
Bank and other loans		91,919	36,657
Lease liabilities		6,063	2,664
Current taxation		5,257	5,398
		325,456	202,477
Net current assets		616,782	608,435
Total assets less current liabilities		651,527	613,184

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 – unaudited
(Expressed in RMB)

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	<i>Note</i>		
Non-current liabilities			
Interest-bearing borrowings		2,800	–
Lease liabilities		25,873	640
Deferred tax liabilities		471	528
		29,144	1,168
NET ASSETS		622,383	612,016
CAPITAL AND RESERVES			
Share capital	11	3,537	3,537
Reserves		618,846	608,479
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		622,383	612,016

Approved and authorised for issue by the board of directors on 29 August 2025.

Zhao Libing
Director

Shu Qing
Director

The notes on pages 29 to 36 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

Attributable to equity shareholders of the company								
Note	Share capital	Share premium	Capital reserve	Exchange reserve	Retained profits	Subtotal	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	130	1,243	23,512	(2,106)	400,982	423,761	1,931	425,692
Changes in equity for the six months ended 30 June 2024:								
Issuance of new shares	11	887	108,947	–	–	109,834	–	109,834
Capitalisation issue	11	2,520	(2,520)	–	–	–	–	–
Profit for the period		–	–	–	28,274	28,274	286	28,560
Other comprehensive income		–	–	2,837	–	2,837	–	2,837
Balance at 30 June 2024	3,537	107,670	23,512	731	429,256	564,706	2,217	566,923
Balance at 1 January 2025	3,537	107,670	25,790	1,548	473,471	612,016	–	612,016
Changes in equity for the six months ended 30 June 2025:								
Profit for the period		–	–	–	10,651	10,651	–	10,651
Other comprehensive income		–	–	(284)	–	(284)	–	(284)
Balance at 30 June 2025	3,537	107,670	25,790	1,264	484,122	622,383	–	622,383

The notes on pages 29 to 36 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Operating activities		
Net cash used in operations	(87,864)	(90,494)
Tax paid	(1,376)	(1,625)
Net cash used in operating activities	(89,240)	(92,119)
Investing activities		
Payment for the purchase of property and equipment	(2,020)	(24)
Others	(272)	–
Net cash used in investing activities	(2,292)	(24)
Financing activities		
Proceeds from the initial public offering	–	124,802
Proceeds from bank and other loans	62,762	33,504
Repayment of bank and other loans	(9,357)	(35,704)
Capital element of lease rentals paid	(2,188)	(1,392)
Interest paid	(2,195)	(1,391)
Deposits paid	(500)	–
Transaction fees paid	(343)	–
Listing expenses paid	–	(10,919)
Net cash generated from financing activities	48,179	108,900
Net (decrease)/increase in cash and cash equivalents	(43,353)	16,757
Cash and cash equivalents at 1 January	149,421	76,846
Effect of foreign exchanges rates changes	278	499
Cash and cash equivalents at 30 June	106,346	94,102

The notes on pages 29 to 36 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

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”). It was authorised for issue on 29 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is 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 (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 22.

2 Changes in accounting policies

The Group has applied the amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability, issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report 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 revised standard that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

3 Revenue and segment reporting

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	
	2025 RMB'000	2024 RMB'000
Mobile advertising solutions services (gross method)	680,218	285,989
Advertisement distribution services (net method)	2,721	14,530
	682,939	300,519

The Group's operations are mainly located in the PRC. 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 (loss)/income

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest income	99	1,580
Government grant	150	2,144
Others	(426)	17
	(177)	3,741

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

5 Profit before taxation

Profit before taxation is arrived at after charging:

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(a) Finance costs			
Interest expense	1,711		1,341
Interest on lease liabilities	493		51
	2,204		1,392
		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(b) Other items			
Depreciation charge	3,229		1,342
– owned property, plant and equipment	115		94
– right-of-use assets	3,114		1,248
Impairment losses on trade and other receivables	3,165		3,520
Listing expenses	–		2,008

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

6 Income tax

Taxation in the consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current tax	628	1,526
Deferred tax	(140)	(376)
	488	1,150

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 tax-free period, or a reduced tax rate of 15% during the six months ended 30 June 2025 and 2024.

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 2025 and 2024. 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 Group is in the process of making an assessment of the Group's exposure from the enactment of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development and considers that the enactment of the rules 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 ordinary equity shareholders of the Company of RMB10,651,000 (six months ended 30 June 2024: RMB28,274,000) and the weighted average of 500,000,000 ordinary shares (2024: 477,397,000 shares, after adjusting for the capitalisation issue in 2024) 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 2025 and 2024.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

8 Right-of-use assets

The right-of-use assets represented the leased office premises and staff quarters. During the six months ended 30 June 2025, the Group entered into new lease agreements, and recognised the additions to right-of-use assets of RMB33.4 million.

9 Trade and other receivables

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 6 months	636,451	325,495
6 to 12 months	44,885	126,296
12 to 24 months	40,156	16
Trade receivables, net of loss allowance	721,492	451,807
Prepayments to suppliers	99,752	192,061
Rebates due from media partners	2	2,784
Deposits paid to media partners	3,483	5,750
Deductible input value added tax	6,488	6,179
Other deposits	3,669	1,963
Amounts due from a shareholder	28	28
Others	978	912
	835,892	661,484

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

10 Trade and other payables

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 3 months	113,968	58,808
3 to 6 months	441	25,459
6 months to 1 year	245	36
1 to 2 years	23	29
2 to 3 years	29	—
Trade payables	114,706	84,332
Cost payable to media partners on behalf of customers	59,052	33,308
Other taxes and levies payables	16,968	17,572
Staff cost payables	3,528	4,547
Customers deposits	2,300	2,300
Amounts due to a company owned by certain directors of the Company	375	375
Other payables	3,966	6,515
	200,895	148,949

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

11 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 2025 (2024: Nil).

(b) Share capital

	Six months ended 30 June 2025		Year ended 31 December 2024	
	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	20,000	130
Issuance of ordinary shares upon initial public offering	–	–	125,000	887
Capitalisation issue	–	–	355,000	2,520
At 30 June/31 December	500,000	3,537	500,000	3,537

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

12 Material related party transactions

(a) Key management personnel remuneration

Key management personnel consists of directors of the Company. Their remuneration for the six months ended 30 June 2025 amounted to RMB1.76 million (six months ended 30 June 2024: RMB1.4 million).

(b) Other related party balances and transactions

(i) Transactions with related parties

The Group leases two offices from Ms. Shu Qing and Mr. Yu Canliang at nil consideration during the six months ended 30 June 2025 and 2024.

(ii) Balances with related parties

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Amounts due from a shareholder	28	28
Amounts due to a company owned by certain directors of the Company	375	375

All balances with related parties are unsecured, interest-free and repayable on demand.

13 Fair value measurement

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at the end of the reporting period due to the short-term maturities of these instruments.

14 Non-adjusting events after the reporting period

In July 2025, a subsidiary of the Group entered into guarantee contracts with certain media platform suppliers, pursuant to which the subsidiary of the Group agreed to provide guarantee in favour of these suppliers to secure payment obligations of certain subsidiaries of the Group arising from acquisition of advertising space on such media platforms. In July 2025, Mr. Zhao Libing entered into a guarantee contract with these media platform suppliers and agreed to provide a guarantee in favour of these media platform suppliers to secure payment obligations of the Group in relation to the acquisition of advertising space from these media platform suppliers.