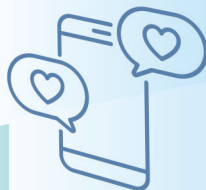


Lesi Group Limited 樂思集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2540



2026
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
Ordinance
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

HONG KONG LEGAL ADVISERS

Loeb & Loeb LLP
2206–19 Jardine House
1 Connaught Place, Central
Hong Kong

COMPLIANCE ADVISER

China Sunrise Capital Limited
Room 1512, YF Life Centre
38 Gloucester Road
Wanchai
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

8/F, Block D
Xingdi Centre, Building 4, No. 10
Jiuxianqiao North Road, Jiangtai Township
Chaoyang District
Beijing, PRC

CORPORATE INFORMATION

**PRINCIPAL PLACE OF BUSINESS
IN HONG KONG**

2206–19 Jardine House
1 Connaught Place, Central
Hong Kong

PRINCIPAL BANKERS

Beijing Bank
Internet Financial Centre Branch
No.1 Danling Street
Haidian District
Beijing, PRC

China Merchants Bank
Wangjing Branch
Ground Floor, Yard 1
No.15 Nanhu South Road
Chaoyang District
Beijing, PRC

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

Convey Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong

STOCK CODE

2540

COMPANY WEBSITE

www.lscx.com.cn



FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026 RMB'000	2025 RMB'000	Change
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%

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 2026.

RESULTS

For the six months ended 30 June 2026, our Group recorded revenue of approximately RMB798.0 million, representing a period-on-period increase of approximately 16.8% from approximately RMB682.9 million for the six months ended 30 June 2025. Our net profit decreased by approximately 6.4% to approximately RMB10.0 million for the six months ended 30 June 2026 from approximately RMB10.7 million for the six months ended 30 June 2025. Basic earnings per share for the six months ended 30 June 2026 was approximately RMB0.02 and remained stable as compared to approximately RMB0.02 for the six months ended 30 June 2025. 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 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

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. For the six months ended 30 June 2026, 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. Meanwhile, as at 30 June 2026, we have established business relationship with three media publishers, which are prominent technology companies in the 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.

CHAIRMAN'S STATEMENT

OUTLOOK

Looking ahead, the mobile advertising industry will maintain steady growth, with AI-enabled intelligent marketing as the core developmental trend amid fierce competition and efficiency-oriented industrial upgrades. The Group will proactively pursue technological innovation, scale AI deployment across our full-stack mobile advertising distribution network to empower the whole business chain covering automated content creation, precise audience targeting, real-time delivery optimisation and data analysis. We will continuously upgrade our proprietary platform to offer customised, high-ROI and scenario-based advertising solutions. Meanwhile, we will expand our mobile ad distribution network to include stable high-traffic media and fast-growing interest-based marketing platforms, broaden our customer base within high-growth mobile advertising sectors and deepen cooperation with existing clients.

The Group will prudently roll out commercially viable AI technologies along the entire marketing workflow from content creation to delivery optimisation. We are conducting trials on AI-generated creativity, scripts, text, images and short videos, and integrating relevant tools with domestic and international mainstream AI generation platforms. Moving forward, we will strengthen AI content production capabilities to streamline short video creation and flexibly explore corresponding commercial opportunities, while iterating our in-house platform to develop more effective mobile advertising offerings.

We will actively explore strategic cooperation and investment targets that can complement our technological strengths and generate operational synergies. Target partners include e-commerce live-stream marketing firms and overseas media post-advertising service providers with established client resources. Enhanced service capabilities in key domestic and overseas markets will help us expand our customer pool and advertising distribution network, strengthening our competitiveness to support sustainable long-term growth.

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 2026, 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, 23 September 2026



MANAGEMENT DISCUSSION AND ANALYSIS

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.

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 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.

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 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'

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 the 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 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 RMB'000	2025 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 consist 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 increase 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.

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 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 a placing exercise conducted during the reporting period (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. 86.8% of borrowings are repayable on demand or within one year and the rest of the borrowings are due on 26 June 2028. All of our borrowings are denominated in RMB. As at 30 June 2026, RMB42.0 million (As at 31 December 2025: RMB5.0 million) our bank loans were variable rate loans while the rest of the borrowings were fixed rate loans. Fluctuation of interest rate are not expected to have significant impact to the Group. 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. 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 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 2026, we did not experience any difficulties in settling our obligations in the normal course of business, which would have had a material impact on our business, financial condition or results of operations.

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.



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 2026, 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 2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENT HELD

As at 30 June 2026, the Group did not hold any significant investment.

CHARGE ON ASSETS AND PLEDGE OF ASSETS

As at 30 June 2026, the Group did not have any charge on assets (31 December 2025: nil) nor any material assets were pledged (31 December 2025: nil).

BANK LOANS

Bank loans of the Group decreased to approximately RMB123.7 million as at 30 June 2026 from approximately RMB137.7 million as at 31 December 2025, which was primarily because partial loan repayments made by the Group during the six months ended 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, 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	
	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	2.9
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.

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 (the “**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 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 report.

USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

Shares of the Company (the “**Share(s)**”) 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 HK\$85.5 million (equivalent to approximately RMB78.7 million) (the “**Net Proceeds**”). The Net Proceeds of approximately HK\$85.5 million will be applied in the manner as set out below:

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 six months ended 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

ISSUE OF NEW SHARES UNDER GENERAL MANDATE DURING THE PERIOD

On 21 May 2026, the Company and Uzen Securities Limited, the placing agent, entered into a 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 said placing agreement had been fulfilled and the Placing was completed. An aggregate of 100,000,000 Shares (the “**Placing Shares**”), representing 20.0% of the entire issued share capital of the Company as at the date of the said 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 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.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND 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.

Different suppliers or 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 2026.

INFORMATION ON 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 PRC. Total staff costs were approximately RMB18.3 million for the six months ended 30 June 2026, as compared to approximately RMB14.7 million for the six months ended 30 June 2025. 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 eight 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
- (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**”).

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2026, 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 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.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2025 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 30 June 2026, 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)	59.38%
Mr. Yu ⁽³⁾	Interest in a controlled corporation	356,250,000 (L)	59.38%
Ms. Shu ⁽⁴⁾	Interest of spouse	356,250,000 (L)	59.38%

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 30 June 2026, 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 30 June 2026, 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)	59.38%
Quartet Yutong BVI ⁽³⁾	Interest in a controlled corporation	356,250,000 (L)	59.38%
Remit Sheng BVI ⁽⁴⁾	Interest in a controlled corporation	356,250,000 (L)	59.38%

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 30 June 2026, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2026 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 23 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 2026 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.

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 during the six months ended 30 June 2026 and up to the date of this report.

SUBSEQUENT EVENTS

No material events happened subsequent to the reporting 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).



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 24 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 2026 and the related consolidated statement of comprehensive income, consolidated 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 express 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 2026 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

28 August 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited
(Expressed in RMB)

		Six months ended 30 June	
	Note	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)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– 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)		0.02	0.02

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 2026 – unaudited
(Expressed in RMB)

		At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
	Note		
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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 – unaudited
(Expressed in RMB)

		At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
	<i>Note</i>		
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

Approved and authorised for issue by the board of directors on 28 August 2026.

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 2026 – unaudited
(Expressed in RMB)

Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Total RMB'000
Balance at 1 January 2025	3,537	107,670	25,790	1,548	473,471	612,016
Changes in equity for the six months ended 30 June 2025:						
Profit for the period	–	–	–	–	10,651	10,651
Other comprehensive income	–	–	–	(284)	–	(284)
Balance at 30 June 2025	3,537	107,670	25,790	1,264	484,122	622,383
Balance at 1 January 2026	3,537	107,670	25,790	(1,065)	513,147	649,079
Changes in equity for the six months ended 30 June 2026:						
Profit for the period	–	–	–	–	9,966	9,966
Other comprehensive income	–	–	–	(3,476)	–	(3,476)
Shares issued 10(b)	682	59,309	–	–	–	59,991
Balance at 30 June 2026	4,219	166,979	25,790	(4,541)	523,113	715,560

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 2026 – unaudited
(Expressed in RMB)

	Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Operating activities		
Net cash used in operations	(95,777)	(87,864)
Tax paid	(104)	(1,376)
Net cash used in operating activities	(95,881)	(89,240)
Investing activities		
Payment for the purchase of property and equipment	(239)	(2,020)
Others	325	(272)
Net cash generated from/(used in) investing activities	86	(2,292)
Financing activities		
Proceeds from shares issued	59,991	–
Proceeds from bank and other loans	139,836	62,762
Repayment of bank and other loans	(73,862)	(9,357)
Capital element of lease rentals paid	(2,482)	(2,188)
Interest paid	(3,240)	(2,195)
Deposits pledged for bank and other loans	(700)	(500)
Transaction fees paid	(220)	(343)
Net cash generated from financing activities	119,323	48,179
Net increase/(decrease) in cash and cash equivalents	23,528	(43,353)
Cash and cash equivalents at 1 January	36,914	149,421
Effect of foreign exchanges rates changes	(261)	278
Cash and cash equivalents at 30 June	60,181	106,346

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 28 August 2026.

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.

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 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes 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 23.

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.

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	
	2026 RMB'000	2025 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 RMB'000	2025 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)

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	
2026	2025
RMB'000	RMB'000
(a) Finance costs	
Interest expense	1,711
Interest on lease liabilities	493
3,779	2,204

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

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	
	2026 RMB'000	2025 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

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 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)

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

11 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 2026 amounted to RMB1.73 million (six months ended 30 June 2025: RMB1.76 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 2026 and 2025.

(ii) Balances with related parties

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Amounts due from a shareholder	28	28

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

12 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.