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Lemo Services Co., Ltd
樂摩科技服務股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2539)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The board of Directors (the “**Board**”) of Lemo Services Co., Ltd (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 (the “**Annual Results**”) together with the comparative information for the year ended 31 December 2024. The Annual Results have been reviewed by the Audit Committee.

FINANCIAL HIGHLIGHTS

	2025	2024	Year-on-
	RMB'000	RMB'000	year change
Revenue	906,778	797,991	13.63%
Gross profit	305,349	287,799	6.10%
Profit for the year attributable to equity shareholders of the Company	93,731	85,807	9.23%
Non-IFRS measures:			
Adjusted net profit	112,354	102,075	10.07%

OPERATING METRICS

	As at 31 December		Year-on-
	2025	2024	year change
Number of massage equipment	539,443	490,564	9.96%
– Massage Chairs	100,302	94,163	6.52%
– Massage Cushions	439,141	396,401	10.78%
Number of POS	49,877	45,993	8.44%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2025
(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	<i>2</i>	906,778	797,991
Cost of sales		<u>(601,429)</u>	<u>(510,192)</u>
Gross profit		305,349	287,799
Other net loss	<i>3</i>	(600)	(518)
Selling and distribution expenses		(117,278)	(113,867)
Administrative expenses		(50,223)	(46,066)
Research and development expenses		<u>(23,381)</u>	<u>(21,497)</u>
Profit from operations		113,867	105,851
Finance costs	<i>4(a)</i>	(1,804)	(3,383)
Changes in the carrying amount of the redemption liability		<u>–</u>	<u>(164)</u>
Profit before taxation	<i>4</i>	112,063	102,304
Income tax	<i>5(a)</i>	<u>(18,332)</u>	<u>(16,497)</u>
Profit for the year		<u>93,731</u>	<u>85,807</u>
Attributable to:			
Equity shareholders of the Company		<u>93,731</u>	<u>85,807</u>
Profit for the year		<u>93,731</u>	<u>85,807</u>
Earnings per share	<i>6</i>		
Basic and diluted (RMB)		<u>1.86</u>	<u>1.72</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

(Expressed in Renminbi)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year	93,731	85,807
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside Chinese Mainland	(338)	—
Other comprehensive income for the year	(338)	—
Total comprehensive income for the year	93,393	85,807
Attributable to:		
Equity shareholders of the Company	93,393	85,807
Total comprehensive income for the year	93,393	85,807

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2025
(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		199,586	245,035
Intangible assets		204	191
Trade receivables	7	7,643	—
Financial assets measured at fair value through other comprehensive income		—	10,172
Deferred tax assets		5,608	3,448
Other non-current assets		10,431	11,108
		223,472	269,954
Current assets			
Financial assets measured at fair value through profit or loss		48,291	—
Inventories		7,974	5,571
Trade and other receivables	7	86,170	75,463
Prepayments		104,474	99,838
Prepaid taxes		—	2,180
Cash and cash equivalents		243,868	19,684
		490,777	202,736
Current liabilities			
Trade and other payables	8	139,342	161,871
Contract liabilities		1,429	1,607
Bank loans		54,532	43,475
Lease liabilities		3,966	6,083
Other current liabilities		90	104
Current taxation		8,832	5,210
		208,191	218,350
Net current assets/(liabilities)		282,586	(15,614)
Total assets less current liabilities		506,058	254,340

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2025 (CONTINUED)
(Expressed in Renminbi)

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current liabilities			
Bank loans		–	11,398
Lease liabilities		<u>6,005</u>	<u>2,919</u>
		<u>6,005</u>	<u>14,317</u>
NET ASSETS		<u>500,053</u>	<u>240,023</u>
CAPITAL AND RESERVES			
Share capital	9(b)	55,556	50,000
Reserves		<u>444,497</u>	<u>190,023</u>
Total equity attributable to equity shareholders of the Company and total equity		<u>500,053</u>	<u>240,023</u>

NOTES

(Expressed in Renminbi unless otherwise indicated)

1 BASE OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and Interpretations issued by International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise Lemo Services Co., Ltd (formerly known as Fujian Lemo IoT Technology Co., Ltd) (“the Company”) and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except for certain financial assets are stated at their fair value.

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand (“RMB’000”), unless otherwise indicated. Most of the companies comprising the Group are operating in Chinese Mainland and their functional currency is RMB, hence, RMB is used as the presentation currency of the Group.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

(c) Changes in accounting policies

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

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

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are providing mechanical massage services. Further details regarding the Group's principal activities are disclosed in note 2(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Revenue from mechanical massage services		
– Direct Mode	748,398	668,750
– Partner Mode	128,028	114,176
Revenue from sales of household massage equipment and massage accessories	6,133	8,560
Revenue from digital advertising service	2,143	1,712
Revenue from sales of mechanical massage equipment to Local Partners	14,013	–
Others [#]	8,063	4,793
	906,778	797,991

[#] Others mainly include revenue of massage service generated from offline massage centre operated by the Group and revenue of sales of massage equipment spare parts to Local Partners.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 2(b)(i) and 2(b)(iii), respectively.

The Group's customer base is diversified and decentralised and the Group does not have any single customer with whom transactions have exceeded 10% of the Group's revenue during the years ended 31 December 2025 and 2024.

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Mechanical massage service under Direct Mode: this segment engaged in providing mechanical massage service to customers through its massage equipment located at the POS operated by the Group itself.
- Mechanical massage POS operation support services under Partner Mode: this segment engaged in providing mechanical massage POS operation support services to Local Partners.
- Others: this segment mainly engaged in sales of household massage equipment and massage accessories, providing digital advertising service and sales of mechanical massage equipment to Local Partners.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and direct expenses incurred by those segments respectively. The measure used for reporting segment result is gross profit which is calculated based on revenue less cost of sales for the relevant segment. No intersegment sales have occurred during the years ended 31 December 2025 and 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other net loss, selling and distribution expenses, administrative expenses, research and development expenses, finance costs, changes in the carrying amount of the redemption liability and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, other operating income and expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2025 and 2024 is set out below.

	2025			
	Mechanical massage service under Direct Mode RMB'000	Mechanical massage POS operation support services under Partner Mode RMB'000	Others RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition				
– Over time	748,398	128,028	5,184	881,610
– Point in time	–	–	25,168	25,168
Reportable segment revenue	<u>748,398</u>	<u>128,028</u>	<u>30,352</u>	<u>906,778</u>
Reportable segment profit	<u>202,360</u>	<u>92,879</u>	<u>10,110</u>	<u>305,349</u>
	2024			
	Mechanical massage service under Direct Mode RMB'000	Mechanical massage POS operation support services under Partner Mode RMB'000	Others RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition				
– Over time	668,750	114,176	4,810	787,736
– Point in time	–	–	10,255	10,255
Reportable segment revenue	<u>668,750</u>	<u>114,176</u>	<u>15,065</u>	<u>797,991</u>
Reportable segment profit	<u>199,728</u>	<u>83,347</u>	<u>4,724</u>	<u>287,799</u>

(ii) Reconciliation of reportable segment profit or loss

	2025 RMB'000	2024 RMB'000
Total reportable segment gross profit	305,349	287,799
Other net loss	(600)	(518)
Selling and distribution expenses	(117,278)	(113,867)
Administrative expenses	(50,223)	(46,066)
Research and development expenses	(23,381)	(21,497)
Finance costs	(1,804)	(3,383)
Changes in the carrying amount of the redemption liability	—	(164)
Consolidated profit before taxation	<u>112,063</u>	<u>102,304</u>

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location of which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets.

	Revenues from external customers		Specified non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Chinese Mainland	894,160	797,991	199,599	245,226
Thailand	12,506	—	—	—
Others	112	—	191	—
Total	<u>906,778</u>	<u>797,991</u>	<u>199,790</u>	<u>245,226</u>

3 OTHER NET LOSS

	2025 RMB'000	2024 RMB'000
Net fair value changes on financial assets measured at fair value through profit or loss	462	96
Interest income	709	300
Government grants	737	73
Net foreign exchange loss	(1,523)	—
Net loss on disposal of property, plant and equipment	(345)	(1,217)
Others	(640)	230
	<u>(600)</u>	<u>(518)</u>

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 RMB'000	2024 RMB'000
(a) Finance costs		
Interest on bank loans	1,496	2,786
Interest on lease liabilities	308	597
	<u>1,804</u>	<u>3,383</u>
	2025 RMB'000	2024 RMB'000
(b) Staff costs		
Salaries, wages allowances and other benefits in kind	119,918	112,133
Retirement scheme contributions	7,566	7,492
Equity-settled share-based payment expenses	4,562	5,564
	<u>132,046</u>	<u>125,189</u>
	2025 RMB'000	2024 RMB'000
(c) Other items		
Amortisation of intangible assets	157	80
Depreciation charge		
– owned property, plant and equipment	150,203	112,018
– right-of-use assets	7,828	10,042
Impairment loss on trade and other receivables	2,157	2,588
Auditors' remuneration		
– Audit services	1,995	–
– Other services [#]	3,936	3,114
Listing expenses [#]	14,061	10,704
Cost of inventories	31,947	24,846

[#] Other services include RMB2,817,000 (2024: RMB2,369,000) which is also included in the listing expenses disclosed separately above.

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax – PRC Corporate Income Tax (“PRC CIT”) and income taxes of other tax jurisdictions		
Provision for the year	20,492	15,225
Under-provision in respect of prior years	–	18
	20,492	15,243
Deferred tax		
Origination and reversal of temporary differences	(2,160)	1,254
	18,332	16,497

- (i) In accordance with relevant rules and regulations of Corporate Income Tax (“CIT”) in Chinese Mainland, the Company is subject to PRC CIT at a preferential tax rate of 15% during the years ended 31 December 2025 and 2024.
- (ii) Pingtan Lemo Gongchuang Investment Partnership Enterprise (LLP) (“Lemo Gongchuang”) and Pingtan Lemo Gongying Investment Partnership Enterprise (LLP) (“Lemo Gongying”), the special purpose vehicles to hold the ordinary shares for the Company’s employees under the employee incentive scheme, are not subject to CIT of Chinese Mainland.
- (iii) According to the PRC Corporate Income Tax Law and its implementation regulations, certain subsidiaries of the Company were qualified as “Small Low-profit Enterprise” and enjoyed a reduced corporate income tax rate of 20% and a 75% deduction of annual assessable profits for the years ended 31 December 2025 and 2024. All of the other subsidiaries of the Company are subject to CIT at a statutory rate of 25% during the years ended 31 December 2025 and 2024.
- (iv) According to the relevant tax rules in the Chinese Mainland, qualified research and development expenses are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development expenses of the Company could be deemed as deductible expenses during the years ended 31 December 2025 and 2024.
- (v) According to the two-tiered profits tax rate regime introduced under the Inland Revenue (Amendment) (No.3) Ordinance 2018 (the “Ordinance”), the first HK\$2 million of assessable profits earned by a company will be taxed at 8.25% whilst the remaining assessable profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates. The Ordinance was first effective from the year of assessment 2018/2019.

Accordingly, the provision for Hong Kong Profits Tax for one subsidiary of the Company is calculated in accordance with the two-tiered profits tax rate regime, under which Profits Tax for the first HK\$2 million of assessable profits is calculated at 8.25% while the remaining is calculated at 16.5%.

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

	2025 RMB'000	2024 <i>RMB'000</i>
Profit before taxation	112,063	102,304
Notional tax on profit before taxation, calculated at the applicable rates in the jurisdictions concerned	27,741	25,576
Tax effect of non-deductible expenses	6,364	3,893
Tax effect of additional deduction for qualified research and development expenses	(5,327)	(4,881)
Utilisation of previously unrecognised tax losses	(692)	(323)
Tax effect of unused tax losses not recognised	313	682
Statutory tax concession	(8,990)	(7,479)
Effect of change of tax rate on deferred tax balances	–	(343)
Tax effect of unrecognised deductible temporary differences	–	(646)
Under-provision in respect of prior years	–	18
Tax effect of deductible listing expenses	(1,077)	–
Actual tax expense	18,332	16,497

6 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 and the weighted average number of ordinary shares in issue or deemed to be in issue during the year. The profit attributable to unvested ordinary shares held for employee incentive scheme with employees and the number of such shares have been excluded from the calculation of basic earnings per share.

The Company converted from a limited liability company into a joint stock limited liability company on 29 August 2024, with a registered capital of RMB50,000,000 divided into 50,000,000 shares with a nominal value of RMB1.00 each. For the purpose of computing basic and diluted earnings per share, the weighted average number of ordinary shares were deemed to be in issue before the Company's conversion into a joint stock limited liability company as if the above conversion had occurred on 1 January 2024 at the exchange ratio established on 29 August 2024.

(i) Profit attributable to ordinary equity shareholders of the Company

	2025 RMB'000	2024 <i>RMB'000</i>
Profit attributable to all equity shareholders of the Company	93,731	85,807
Allocation of profit attributable to shares with redemption rights	–	(361)
Allocation of profit attributable to unvested shares held for employee incentive scheme	(2,141)	(2,756)
Profit attributable to ordinary equity shareholders of the Company	91,590	82,690

(ii) **Weighted average number of ordinary shares**

	2025 '000	2024 '000
Ordinary shares deemed to be in issue at 1 January	50,000	50,000
Effect of shares issued by initial public offering (note 9(b))	426	–
Effect of unvested shares held for employee incentive scheme	(1,152)	(1,606)
Effect of shares with redemption rights	–	(210)
Weighted average number of ordinary shares at 31 December	<u>49,274</u>	<u>48,184</u>

(b) **Diluted earnings per share**

For the years ended 31 December 2025 and 2024, the unvested ordinary shares held for employee incentive scheme with employees were not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. For the years ended 31 December 2024, the shares with redemption rights were also not included in the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amounts of diluted earnings per share are the same as basic earnings per share.

7 **TRADE AND OTHER RECEIVABLES**

	2025 RMB'000	2024 RMB'000
Non-current		
Trade receivables, net of loss allowance – third parties	7,643	–
Current		
Trade receivables, net of loss allowance – third parties	6,819	943
– related parties	173	–
	6,992	943
Deposits (note (i))	60,184	52,950
VAT recoverable	16,297	16,143
Other receivables	2,697	5,427
	86,170	75,463
	<u>93,813</u>	<u>75,463</u>

- (i) Deposits mainly include the deposits paid to the site owners of POS which is refundable upon termination of the occupancy agreement.

As at 31 December 2025, deposits of RMB30,087,000 (2024: RMB28,780,000) of the Group were expected to be recovered or recognised as expense after more than one year. All of the other current trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Current (not past due)	14,493	919
Less than 3 months past due	121	2
More than 3 months but less than 1 year past due	19	21
Past due over 1 year	2	1
	14,635	943

Trade receivables are due within 30 to 90 days from the date of billing.

8 TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	45,595	74,812
Receipts in advance	32,301	29,663
Deposits (<i>note (i)</i>)	5,189	5,267
Salary and welfare payables	34,692	30,857
Dividends payable to equity shareholders	–	12
Other payables and accruals	18,531	19,293
Financial liabilities measured at amortised cost	136,308	159,904
Other tax payables	3,034	1,967
	139,342	161,871

- (i) Deposits mainly represent deposits paid by Local Partners, which is refundable upon termination of the cooperation agreement.

All trade and other payables are expected to be settled or recognised as income within one year or are payable on demand.

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

	2025 RMB'000	2024 RMB'000
Within 3 months	29,674	55,549
Over 3 months but within 6 months	3,241	4,977
Over 6 months but within 9 months	1,885	341
Over 9 months but within 1 year	1,647	1,743
Over 1 year	9,148	12,202
	45,595	74,812

9 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends paid or payable to equity shareholders of the Company attributable to the year

	2025 RMB'000	2024 RMB'000
Dividend approved and paid during the year (note)	25,000	20,000
Final dividend proposed after the end of the reporting period of RMB50.6 cents per ordinary share	28,119	—
	<u>53,119</u>	<u>20,000</u>

Note:

During the year ended 31 December 2025, the Company declared dividends of RMB25,000,000 (RMB50.0 cents per ordinary share) to its equity shareholders.

During the year ended 31 December 2024, the Company declared dividends of RMB20,000,000 to its equity shareholders, comprising (i) RMB10,000,000 to Mr. Xie Zhonghui for his financial needs; and (ii) RMB10,000,000 (RMB20.0 cents per ordinary share) to all shareholders.

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Paid-in capital and share capital

	Note	No. of ordinary shares issued and fully paid '000	Paid-in capital RMB'000	Share capital RMB'000
At 1 January 2024		—	10,954	—
Issue of ordinary shares upon conversion into a joint stock limited liability company	(i)	50,000	(10,954)	50,000
At 31 December 2024 and 1 January 2025		50,000	—	50,000
Shares issued by initial public offering	(ii)	5,556	—	5,556
At 31 December 2025		<u>55,556</u>	<u>—</u>	<u>55,556</u>

Note:

- (i) Pursuant to the shareholders' resolutions dated 26 August 2024 and the promoters' agreement dated 28 August 2024, the shareholders of the Company agreed to convert the Company into a joint stock limited liability company. The net assets of the Company as of the conversion base date, which is 29 February 2024, including paid-in capital, capital reserve, statutory reserve and retained profits were converted into 50,000,000 ordinary shares at RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's share premium. Upon the completion of registration with the Pingtan Administration for Industry and Commerce on 29 August 2024, the Company was converted into a joint stock limited liability company under PRC Company Law.
- (ii) 5,555,600 ordinary shares of par value of RMB1.00 each were issued at a price of HK\$40.0 per ordinary share upon the listing of the shares of the Company on the Stock Exchange of Hong Kong Limited. The gross proceeds raised from the offering was HK\$222,224,000 (equivalent to approximately RMB201,996,000). Net proceeds from the offering were RMB187,075,000 (after offsetting costs directly attributable to the issuance of shares of approximately RMB14,921,000), of which RMB5,556,000 was credited to the Company's share capital account and the remaining RMB181,519,000 was credited to the Company's share premium account.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025, the Group recorded total revenue of RMB906.78 million, representing a year-on-year growth of 13.63%; gross profit of RMB305.35 million, representing a year-on-year growth of 6.10%; and adjusted net profit (Non-IFRS measures) of RMB112.35 million, representing a year-on-year growth of 10.07%. The Group recorded positive operating cash inflow of RMB240.84 million, which was in a good cash flow condition.

As at 31 December 2025, the number of massage chairs was 100,302, representing a year-on-year growth of 6.52%; the number of massage cushions was 439,141, representing a year-on-year growth of 10.78%; and the number of POS was 49,877, representing a year-on-year growth of 8.44%.

Mechanical Massage Service

Our mechanical massage service mainly includes provision of massage service performed by the mechanical massage equipment at our POS. We strategically lay out our mechanical massage service into consumption scenarios with high consumer traffic such as commercial complexes, cinemas, traffic hubs (including airports and high-speed rail stations). In 2025, we generated revenue from mechanical massage service of RMB876.43 million, representing a year-on-year growth of 11.94%.

Direct Mode and Partner Mode

Under the Direct Mode, we are responsible for POS operation. Under the Partner Mode, Local Partners are responsible for POS operation, while we provide a comprehensive mechanical massage service solution. During the Reporting Period, the Direct Mode is our primary operation mode, with approximately 85.39% of revenue generated from mechanical massage service. While actively expanding our directly-operated POS network, we also maintain a robust Local Partner network, leveraging their advantages on local resources for sustained growth.

Our Mechanical Massage Equipment

We retain ownership of our mechanical massage equipment under both the Direct Mode and the Partner Mode in China. We have provided over 10 types of mechanical massage equipment for use at our POS during the Reporting Period. Our mechanical massage equipment during the Reporting Period comprised mechanical massage chairs and mechanical massage cushions. We have developed a multi-tiered product structure to cater to the diverse needs of different consumer segments. As at 31 December 2025, our product portfolio comprised four distinct series: the Leisure Chair Comfort and Relaxation Series, the Energy Egg Professional Massage Series, the First Class Intelligent Health Series, and the Back & Waist Relax Cinema Experience Series.

Our POS Network

As at 31 December 2025, we had a POS network of over 49,877 POS, covering 31 provincial-level administrative divisions and 338 cities. In 2025, we commenced establishing our overseas POS presence in Thailand, Indonesia and Hong Kong, which remained at an early exploratory stage and on a very limited scale.

In April 2025, for the purpose of a preliminary trial, we entered into a cooperation arrangement with a company incorporated in Thailand (the “**Thailand Partner**”) for the establishment of POS in Thailand. As at 31 December 2025, our operations in Thailand remained in the early exploratory stage and thus the POS scale was very limited.

Since July 2025, we have been exploring the establishment of POS in Hong Kong. As at 31 December 2025, we had established a small number of POSs in the commercial complexes and office buildings in North Point, Cyberport and Lai Chi Kok.

In August 2025, for the purpose of a preliminary trial, we entered into a cooperation arrangement with a company incorporated in Indonesia (the “**Indonesian Partner**”) for the establishment of POS in Indonesia. Our cooperation model and the relevant contractual terms with the Indonesian Partner are consistent with those of the Thailand Partner. As at 31 December 2025, our operations in Indonesia remained in the early exploratory stage and thus the POS scale was limited.

Other Business

During the Reporting Period, we also (i) generated revenue through the display of advertisements in the form of pop-up banners through our Wechat mini program and official account, and (ii) sold a variety of massage equipment and massage accessories for household use, through e-commerce platforms including JD, Tmall, Douyin and Youzan to retail consumers. These businesses, as a supplement to our mechanical massage service, help us increase the brand awareness of Lemobar and diversify our business structure.

For the year ended 31 December 2025, our revenue generated from others was RMB30.35 million, accounting for 3.35% of our total revenue.

FINANCIAL REVIEW

REVENUE

The following table sets forth the breakdown of our revenue by business segment for the years indicated:

	For the year ended 31 December			
	2025		2024	
	(RMB'000)	% of total revenue	(RMB'000)	% of total revenue
Mechanical massage services				
– Direct Mode	748,398	82.53%	668,750	83.80%
– Partner Mode	128,028	14.12%	114,176	14.31%
Subtotal	876,426	96.65%	782,926	98.11%
Others^(Note)	30,352	3.35%	15,065	1.89%
Total	906,778	100.00%	797,991	100.00%

Note: Others mainly include (i) online sales of household massage equipment and massage accessories; (ii) provision of digital advertising services; (iii) sales of massage equipment spare parts to the Local Partners; and (iv) sales of mechanical massage equipment to the Local Partners.

Revenue from mechanical massage services – Direct Mode

For the year ended 31 December 2025, our revenue from mechanical massage services under the Direct Mode was RMB748.40 million, representing an increase of 11.91% from RMB668.75 million for the year ended 31 December 2024. The increase was primarily due to the expansion in the number of POS network and equipment investments.

Revenue from mechanical massage services – Partner Mode

For the year ended 31 December 2025, our revenue from mechanical massage services under the Partner Mode was RMB128.03 million, representing an increase of 12.13% from RMB114.18 million for the year ended 31 December 2024. The increase was primarily due to the expansion in the number of POS network and equipment investments.

Revenue from others

For the year ended 31 December 2025, our revenue from others was RMB30.35 million, representing an increase of 101.47% from RMB15.07 million for the year ended 31 December 2024. The increase was primarily due to an increase in revenue from sales of massage equipment to the Local Partners in overseas markets in 2025.

COST OF SALES

The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as percentages of our cost of sales for the years indicated:

	For the year ended 31 December			
	2025	% of total	2024	% of total
	(RMB'000)	cost of sales	(RMB'000)	cost of sales
POS and related expenses	392,325	65.23%	352,373	69.08%
Depreciation and amortization	144,011	23.94%	104,420	20.47%
Employee benefit expenses	27,598	4.59%	25,557	5.01%
Logistics and miscellaneous fee	17,254	2.87%	17,502	3.42%
Cost of mechanical massage equipment	9,429	1.57%	–	0.00%
Cost of household massage equipment and massage accessories sold	3,964	0.66%	5,730	1.12%
Others	6,848	1.14%	4,610	0.90%
Total	601,429	100.00%	510,192	100.0%

Our cost of sales primarily consisted of POS and related expenses, depreciation and amortization, employee benefit expenses, logistics and miscellaneous fee, cost of mechanical massage equipment, and cost of household massage equipment and massage accessories sold. Our cost of sales increased to RMB601.43 million for the year ended 31 December 2025 as compared with RMB501.19 million for the year ended 31 December 2024, which was mainly attributable to the expansion in the number of sites and equipment investments, resulting in an increase in site expenses, equipment depreciation expenses, new equipment purchase expenses and other costs, as well as an increase in costs attributable to the growth in headcount.

GROSS PROFIT AND GROSS PROFIT MARGIN

The following table sets forth our gross profit and gross profit margin by business segment for the years indicated:

	For the year ended 31 December			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	(RMB'000)	margin (%)	(RMB'000)	margin (%)
Mechanical massage services				
– Direct Mode	202,360	27.04	199,728	29.87
– Partner Mode	92,879	72.55	83,347	73.00
Subtotal	295,239	33.69	283,075	36.16
Others	10,110	33.31	4,724	31.36
Total	305,349	33.67	287,799	36.07

For the year ended 31 December 2025, the gross profit of the Group increased by 6.10% to RMB305.35 million as compared with RMB287.80 million for the year ended 31 December 2024, which was primarily attributable to the expansion of our POS network and equipment deployment and the growth in transaction order volume, as well as our entry into overseas markets and an increase in sales of massage equipment to the Local Partners abroad. The gross margin of the Group decreased to approximately 33.67% for the year ended 31 December 2025 from 36.07% for the year ended 31 December 2024, mainly attributable to (i) the expansion of business scale and deeper market penetration, leading to higher POS usage fees and new massage equipment costs, and (ii) increased expenditure on operations and maintenance personnel, which collectively slowed gross profit growth.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses primarily consisted of employee benefit expenses, brand image development expenses, business development and travel expenses, marketing and advertisement expenses, office expenses, and depreciation and amortisation. For the year ended 31 December 2025, our selling and distribution expenses increased by 3.00% to RMB117.28 million as compared with RMB113.87 million for the year ended 31 December 2024, mainly attributable to the expansion of our business scale, POS network and brand development initiatives, the increase in marketing personnel and salaries, and the strengthening of our business development and marketing activities.

ADMINISTRATIVE EXPENSES

Our administrative expenses primarily consisted of employee benefit expenses, office and rental expenses, corporate service fees, depreciation and amortization, and administrative travel expenses. For the year ended 31 December 2025, our administrative expenses increased by 9.02% to RMB50.22 million as compared with RMB46.07 million for the year ended 31 December 2024, mainly attributable to the increase in listing expenses and the increase in administrative remuneration.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development (“**R&D**”) expenses primarily consist of employee benefit expenses, materials and office expenses, depreciation and amortization, travel expenses, and outsource research expenses. For the year ended 31 December 2025, our research and development expenses increased by 8.76% to RMB23.38 million as compared with RMB21.50 million for the year ended 31 December 2024, mainly attributable to increase in the number and remuneration of R&D personnel due to the increase in R&D projects.

FINANCE COSTS

Our finance costs primarily consists of interest expenses on bank loans and lease liabilities. For the year ended 31 December 2025, our finance costs decreased by 46.67% to RMB1.80 million as compared with RMB3.38 million for the year ended 31 December 2024, mainly attributable to interest expense decreased as a result of lowering of state loan rates.

CHANGES IN THE CARRYING AMOUNT OF THE REDEMPTION LIABILITY

Our changes in the carrying amount of the redemption liability mainly consist of the amount of movement in our redemption liability. The redemption liability arose due to certain preferential rights granted to an investor, namely Ma'anshan Cornerstone Yixiang Equity Investment Partnership Enterprise (LLP) (“**Cornerstone Yixiang**”), who was entitled to require the Company to redeem its equity interest, pursuant to the capital increase agreement entered into between Cornerstone Yixiang and the Company in December 2017. For the year ended 31 December 2025, our changes in the carrying amount of the redemption liability decreased to nil, as compared with RMB0.16 million for the year ended 31 December 2024. The decrease was mainly attributable to the termination of the preferential right by Cornerstone Yixiang in 2024.

INCOME TAX

Our income tax expenses comprised current tax expense and deferred tax expense. For the year ended 31 December 2025, our income tax expenses increased by 11.12% to RMB18.33 million as compared with RMB16.50 million for the year ended 31 December 2024, mainly attributable to the increase in profit before tax brought by the Company's expansion of business and the increase in massage equipment deployment, as well as the exploration of new overseas markets.

ADJUSTED NET PROFIT (NON-IFRS MEASURES)

For the year ended 31 December 2025, the adjusted net profit increased by 10.07% to RMB112.35 million from RMB102.08 million for the year ended 31 December 2024. Such increase was primarily attributable to the Company's business expansion, increased revenue from deploying more massage equipment, and profit growth from exploring new overseas markets.

We define adjusted net profit (Non-IFRS measures) as profit for the year adjusted by adding (i) equity-settled share-based payment expenses, which are the non-cash payment in nature; and (ii) listing expenses, which are the expenses relating to the Global Offering. We exclude these items because they were non-operating in nature, non-recurring or not indicative of our core operating results. We believe that adjusted net profit for the year ended 31 December 2025, as compared with adjusted net profit for the year ended 31 December 2024, can provide additional information to investors and others in understanding and evaluating the Group's consolidated results of operations as well as facilitate year to year comparison. However, the use of these non-IFRS measures has limitations as an analytical tool, and one should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under the IFRS Accounting Standards. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The following table sets out adjusted net profit (non-IFRS measure) and a reconciliation from profit for the year to adjusted net profit (non-IFRS measure) for the years indicated.

	For the year ended 31 December	
	2025	2024
	(RMB'000)	(RMB'000)
Profit for the year	93,731	85,807
Add:		
Equity-settled share-based payment expenses	4,562	5,564
Listing expenses	14,061	10,704
Adjusted net profit for the year (Non-IFRS measures)	112,354	102,075

LIQUIDITY AND CAPITAL RESOURCES

We have funded our working capital principally from cash generated from our business operations, bank borrowings, capital contributions from our shareholders, as well as the net proceeds from the Global Offering.

We adopt a prudent treasury management policy to regularly monitor the Group's liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Group, and the net proceeds from the Global Offering, and after diligent and careful investigation, the Directors are of the view that the Group has sufficient working capital required for the Group's operations.

The following table sets out our cash flows for the years indicated:

	For the year ended 31 December		
	2025	2024	Change
	(RMB'000)	(RMB'000)	(%)
Net cash generated from			
operating activities	240,835	192,443	25.15
Net cash used in investing activities	(171,743)	(155,813)	10.22
Net cash generated from/(used in)			
financing activities	156,434	(55,837)	N/A
Net increase/(decrease) in			
cash and cash equivalents	225,526	(19,207)	N/A
Cash and cash equivalents			
at the beginning of the year	19,684	38,891	(49.39)
Effect of foreign exchange rate changes	(1,342)	–	N/A
Cash and cash equivalents at the end of the year	243,868	19,684	1,138.91

Operating Activities

For the year ended 31 December 2025, net cash generated from operating activities was RMB240.84 million, compared with RMB192.44 million generated from operating activities for the year ended 31 December 2024, representing an increase of 25.15%. The increase was mainly attributable to operating cash inflow growth driven by revenue increase.

Investing Activities

For the year ended 31 December 2025, net cash used in investing activities was RMB171.74 million, compared with RMB155.81 million used in investing activities for the year ended 31 December 2024, representing an increase of 10.22%. The increase was mainly attributable to purchase of R1-rated wealth management products using daily idle cash of the Company, classified as financial assets at fair value through profit or loss.

Financing Activities

For the year ended 31 December 2025, net cash generated from financing activities was RMB156.43 million, compared with RMB55.84 million used in financing activities for the year ended 31 December 2024. The increase was mainly attributable to the completion of the Company's initial public offering in December 2025.

Cash and Cash Equivalents

As a result of the foregoing, our cash and cash equivalents increased by 1,138.91% from approximately RMB19.68 million as of 31 December 2024 to approximately RMB243.87 million as of 31 December 2025. The increase was mainly attributable to the completion of the Company's initial public offering in December 2025.

FOREIGN CURRENCY EXCHANGE RISKS

Our presentation and functional currency was RMB. During the Reporting Period, we conducted business in mainland China and most of our transactions were settled in RMB, and the Group is exposed to foreign exchange risk with respect to transactions denominated in currencies other than RMB. As of 31 December 2025, the majority of our non-RMB assets were denominated in US Dollars, which accounted for approximately 82.01% of cash and cash equivalents. During the Reporting Period, the net proceeds from the Global Offering were fully converted into US Dollars. We managed our foreign exchange risk by regularly reviewing our net foreign exchange exposures. During the Reporting Period, the Group did not enter into any derivative instruments to hedge its foreign exchange exposures. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and considered taking appropriate hedging measures when necessary.

CONTINGENT LIABILITIES

Generally, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to each liability.

A provision for warranties is recognised when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

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

Save as disclosed above, we did not have any significant contingent liabilities as at 31 December 2025.

GEARING RATIO

As at 31 December 2025, our gearing ratio, which is calculated as total debt divided by total equity, was 12.90%, as compared with 26.61% as at 31 December 2024. Total debt equals the sum of bank loans and lease liabilities.

CAPITAL EXPENDITURE

Our capital expenditures comprise the payment for purchase of property, plant and equipment and intangible assets. For the years ended 31 December 2025 and 2024, total capital expenditure amounted to RMB135.44 million and RMB175.69 million respectively, representing a decrease of 22.91%. The decrease was mainly attributable to a decrease in the related capital expenditure affected by the evolving lifecycle stages of our massage equipment.

BUSINESS OUTLOOK

Looking ahead to 2026 and the future, the long-term positive fundamentals of China's economy remain unchanged. The enduring trend of rising national health consumption demand will not be reversed, and the smart health service sector is still in a prime period of development. Building on the new starting point as a company listed on the Stock Exchange, the Group will continue to advance high-quality development to deliver sustainable long-term value returns to all Shareholders.

(I) Domestic market: deepening core competencies and promoting full-dimensional upgrades

Over the next three years, the Group's domestic market will focus on continuous evolution on six core directions:

1. Comprehensively empower upgrades and enhance the integrated operational capabilities of partners and direct-operated entities;
2. Optimize the construction of R&D and manufacturing centers to consolidate the core supply chain advantages;
3. Drive the in-depth application of artificial intelligence technology throughout operational processes;
4. Deepen refined user operation and brand communication to enhance user lifetime value;
5. Continuously optimize the structure of networks and scenarios with a focus on high-value scenarios;
6. Achieve cost reduction and efficiency enhancement across the entire process to comprehensively elevate the Group's operating efficiency and profitability quality.

(II) International market: launching the globalization strategy and achieving localization

Internationalization is the core strategy of the long-term development of the Group, and an inevitable path for an enterprise to build strength and scale. Leveraging on China's robust supply chain advantages and mature digital operation capabilities, the Group will officially launch a holistic internationalization strategy:

1. Promote the international localization adaptation of China's proven business models, and prioritize core business centers in Southeast Asia and other regions;

2. Establish an independent professional team dedicated to serving overseas markets service, and build a localized operation and supply chain system;
3. Advance the global layout with a long-term mindset, and deliver China's health service models to consumers worldwide, leveraging our mature operational experience and product capabilities.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2025, there were no significant investments held by the Group nor any future plans for significant investments or capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries, associates, or joint ventures.

CHARGE ON ASSETS

As at 31 December 2025, none of the Group's property, plant and equipment was pledged as security.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, we had a total of 609 full-time employees. All of our employees are based in the PRC. For the year ended 31 December 2025, cost of employees' remuneration and benefit was approximately RMB132.05 million as compared with RMB125.19 million for the year ended 31 December 2024.

We have entered into written employment contracts and confidentiality agreements with our employees and non-competition agreements with our management and key employees. We offer a remuneration package including basic salaries, performance assessment bonuses and other performance-related bonuses. The performance-based bonuses are mainly determined at the discretion of management based on the employees' work and sales performance. These performance bonuses are calculated on a quarterly and annual basis. To incentivize our Directors, senior management and employees of the Group for their contribution to the Group, the Company adopted the Pre-IPO Share Incentive Schemes, details of which are set out in the section headed "Pre-IPO Share Incentive Schemes" in this announcement.

Under the relevant PRC laws and regulations, we are required to make contributions to mandatory social insurance funds, including pension, work-related injury insurance, maternity insurance, medical insurance and unemployment insurance. Furthermore, we are required, under the relevant PRC laws and regulations, to register with the relevant authorities and maintain the required accounts with designated banks for making contributions to the housing provident funds for our employees.

We have striven to provide training and promotion opportunities to our employees to promote a sense of belonging and work dedication. Our new employees are required to attend orientation training and existing employees regularly attend different training programmes, covering (i) operational aspects regarding market trends, product introduction, sales techniques and case sharing; (ii) technological aspects regarding research and development of new technology, professional skillsets and problem-solving skills; (iii) management aspects regarding team management, strategic planning and case studies and experience sharing; and (iv) consumer service aspects regarding business etiquette, professional communication and analysis of common consumer complaints.

PRE-IPO SHARE INCENTIVE SCHEMES

We approved and adopted the 2021 Share Incentive Scheme and 2023 Share Incentive Scheme (together, the “**Pre-IPO Share Incentive Schemes**”) on 1 December 2021 and 8 September 2023, respectively. The Pre-IPO Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Incentive Schemes do not involve the grant of new shares or awards by our Company after the Listing. Our Company has established three incentive platforms, namely Zhangchuang Gongying Platform, Lemo Gongchuang Platform and Lemo Gongying Platform (the “**Incentive Platforms**”).

Prior to the Listing, all incentive Shares under the Pre-IPO Share Incentive Schemes had been fully granted, and the selected participants had become the limited partners of the Incentive Platforms. The capital contribution in relation to the awards granted had been fully settled by the relevant participants with their own funds. The Company did not and will not grant further incentive Shares under the Pre-IPO Share Incentive Schemes after the Listing.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

After the end of the Reporting Period, the Directors proposed a final dividend, subject to the approval of the Shareholders of the Company at the AGM (as defined below). For details, please refer to “Other Information – Final Dividend” and note 9(a) in this announcement.

Save as disclosed in this announcement, there was no other significant subsequent event undertaken by the Group subsequent to 31 December 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the code provisions set out in the Corporate Governance Code as its own code to govern its corporate governance practices.

The Company has complied with the relevant code provisions set out in Part 2 of the Corporate Governance Code during the Reporting Period.

The Board will continue to review and monitor the practices of the Company with a view to maintaining a high standard of corporate governance.

Compliance with the Model Code

The Company has adopted a code of conduct regarding securities transactions by the Directors and the Supervisors as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors and Supervisors, all of them have confirmed that they have complied with the Model Code during the year ended 31 December 2025.

Audit Committee and Review of Financial Information

The Audit Committee has been established in compliance with Rules 3.21 and 3.22 of the Listing Rules with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, risk management and internal control systems of the Company and to assist the Board to fulfill its responsibilities over the audit. The Audit Committee consists of three Directors, namely Ms. Dong Hui, Mr. Lei Zhigang and Mr. Wu Jinghua, with Ms. Dong Hui acting as the chairwoman. Ms. Dong Hui holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed and confirmed the accounting principles and policies adopted by the Group and discussed with management the auditing, internal control and financial reporting matters of the Group. The annual results of the Group for the year ended 31 December 2025 have also been reviewed by the Audit Committee.

SCOPE OF WORK OF THE AUDITOR

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025 as required under Rule 13.49(2) of the Listing Rules. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by KPMG on this annual results announcement.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

From the Listing Date up to the date of this announcement, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

Use of Net Proceeds from the Global Offering

The H Shares of the Company were listed on the Stock Exchange on 3 December 2025. A total of 5,555,600 new H Shares were issued at HK\$40.00 each with gross proceeds of approximately HK\$222.22 million. The net proceeds (after deduction of underwriting fees and commissions and other expenses paid and payable by the Company in connection with the Global Offering) raised from the Global Offering amounted to approximately HK\$182.16 million. The net proceeds from the Global Offering will continue to be utilized in accordance with the intended use of proceeds set out in the Prospectus. The following table sets forth the breakdown of the utilization and proposed utilization of the net proceeds from the Global Offering as at 31 December 2025:

Use of net proceeds	Percentage	Net proceeds from the Global Offering (HK\$ million)	Amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025 Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)	Expected timeline for utilizing the remaining net proceeds ⁽²⁾
Expanding the coverage and penetration of our POS network	60.0%	109.29	–	–	109.29	By 31 December 2026
– Further increasing our penetration rate in consumption scenarios that we have established a developed presence including the commercial complexes, cinemas and airports	35.0%	63.75	–	–	63.75	By 31 December 2026
– Development of our presence in other consumption scenarios such as transportation service and rest areas, e-sports spaces and office buildings etc.	15.0%	27.32	–	–	27.32	By 31 December 2026
– Extension of our reach to overseas markets in Asia, especially Thailand and other Southeast Asian cities	10.0%	18.22	–	–	18.22	By 31 December 2026
Ongoing enhancement and iteration of our technology	20.0%	36.43	–	–	36.43	By 31 December 2026

Use of net proceeds	Percentage	Net proceeds from the Global Offering (HK\$ million)	Amount utilized between the Listing Date and 31 December 2025 (HK\$ million)	As at 31 December 2025		Expected timeline for utilizing the remaining net proceeds ⁽²⁾
				Utilized amount (HK\$ million)	Unutilized amount (HK\$ million)	
– Advancing research and development of the application of digital mechanical massage technology and systematic solutions by upgrading of our massage equipment and introduction of more customization features	12.0%	21.86	–	–	21.86	By 31 December 2026
– Upgrading the software and hardware such as IoT technologies of LMB Links particularly for application in the overseas market	8.0%	14.57	–	–	14.57	By 31 December 2026
Enhancing our brand	10.0%	18.22	–	–	18.22	By 31 December 2026
– Strategic placement of targeted marketing on new media platforms to increase brand exposure and recognition	5.0%	9.11	–	–	9.11	By 31 December 2026
– Upgrade and improvement of the design and image of our POS	5.0%	9.11	–	–	9.11	By 31 December 2026
Working capital and other general corporate purposes	10.0%	18.22	–	–	18.22	By 31 December 2026
Total	100.0%	182.16	–	–	182.16	By 31 December 2026

Notes:

- (1) The figures in the table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to changes based on the current and future development of the market conditions.

We currently have no intention to change the use of the unutilized net proceeds and have been actively monitoring the market environment for appropriate timing to implement our plans. It is currently expected that the unutilized net proceeds will be fully utilized by 31 December 2026, subject to changes in market conditions and policies and the emergence of appropriate opportunities in the industry.

To the extent that the net proceeds from the Global Offering are not immediately applied for the above purposes, and to the extent permitted by the relevant laws and regulations, we intend to place those net proceeds in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions in Hong Kong and mainland China (as defined under the SFO, the Law of the People's Republic of China on Commercial Banks (中華人民共和國商業銀行法) and other relevant PRC Laws). We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purposes.

Final Dividend

Taking into consideration various factors such as the new business development needs of the Group and its future capital expenditure plans, after the end of the Reporting Period, the Board recommended the payment of RMB50.6 cents per ordinary share, totaling RMB28.12 million, as final dividend for the year ended 31 December 2025. Subject to the approval of the Company's Shareholders at the AGM (as defined below), the proposed final dividend will be paid to the Shareholders on 15 June 2026. The Company does not currently hold any treasury shares, and treasury shares, if any, will not receive dividends or distributions.

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing rules, and the Notice of the State Taxation Administration on Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), as a PRC domestic enterprise, the Company will, after withholding 10% of the 2025 final dividend as enterprise income tax, distribute the final dividend to non-resident enterprise Shareholders whose names appear on the H Shares register of members (i.e. any Shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or H Shareholders registered in the name of other organizations and groups). After receiving dividends, the non-resident enterprise Shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, the tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement) will be refunded.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing rules, and the Notice of the State Taxation Administration on the Issues Regarding Levy of Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045 Document (Guo Shui Han [2011] No.348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the Company shall withhold and pay individual income tax for individual holders of H Shares. If the individual holders of H Shares are Hong Kong or Macau residents or residents of other countries or regions that have a tax rate of 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such Shareholders. If such Shareholders wish to claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Company may apply, on behalf of such Shareholders and according to the relevant tax treaties, for the relevant treatment under tax treaties, provided that the relevant Shareholders submit the relevant documents and information in a timely manner required by the Administrative Measures of Non-resident Taxpayers Enjoying the Treatment under Agreements (State Taxation Administration Announcement 2019, No. 35) (《非居民納稅人享受協定待遇管理辦法》(國家稅務總局公告2019年第35號)) and the provisions of the relevant tax treaties. The Company will assist in refunding the excessive amount of tax withheld subject to the approval of the competent tax authorities.

If the individual holders of H Shares are residents of countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Company will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such Shareholders.

If the individual holders of H Shares are residents of countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Company will withhold and pay individual income tax at the rate of 20% on behalf of such Shareholders.

Shareholders are recommended to consult their tax advisors regarding the tax impacts in the PRC, Hong Kong and other countries (regions) for holding and disposal of H Shares.

Annual General Meeting and Closure of Register of Members

For determining the entitlement to attend and vote at the annual general meeting to be held on Monday, 18 May 2026 (the “AGM”), the register of members of the Company will be closed from Wednesday, 13 May 2026 to Monday, 18 May 2026 (both days inclusive) during which period no transfer of shares will be registered. The Shareholders whose names appear on the register of members of the Company on Monday, 18 May 2026 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, share certificates accompanied by the transfer documents must be lodged with the Company’s H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of the Company’s H Shares) or the Company’s China head office at 21F, Building B, Wangxun Smart Center, 11 Keji East Road, High-Tech Zone, Fuzhou, Fujian, PRC (for holders of the Company’s Unlisted Shares) for registration not later than 4:30 p.m. on Tuesday, 12 May 2026.

For determining the entitlement of the Shareholders to the proposed final dividend for the year ended 31 December 2025, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive) during which period no transfer of shares will be registered. The Shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026 will be entitled to the proposed final dividend. In order to qualify for the entitlement to the proposed final dividend, share certificates accompanied by the transfer documents must be lodged with the Company’s H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of the Company’s H Shares) or the Company’s China head office at 21F, Building B, Wangxun Smart Center, 11 Keji East Road, High-Tech Zone, Fuzhou, Fujian, PRC (for holders of the Company’s Unlisted Shares) for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

PUBLICATION OF 2025 ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.lemobar.com). The annual report of the Company for the year ended 31 December 2025 will be published on the afore-mentioned websites and despatched to the Shareholders who request the printed copies in April 2026.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the followings meanings:

“2021 Share Incentive Scheme”	the share incentive scheme adopted by the Company on 1 December 2021
“2023 Share Incentive Scheme”	the share incentive scheme adopted by the Company on 8 September 2023
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors
“Company”	Lemo Services Co., Ltd (樂摩科技服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 2539)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Direct Mode”	the operation mode for our mechanical massage service under which we are responsible for sourcing POS sites, as well as the design, decoration, operation and ongoing maintenance of the POS locations
“Global Offering”	the global offering of the H Shares in connection with the Listing
“Group”	the Company and all of its subsidiaries, or any one of them as the context may require
“H Share(s)”	overseas listed foreign share(s) in our ordinary share capital with a nominal value of RMB1 each, which are subscribed for and traded in Hong Kong dollars and are listed on the Stock Exchange

“HK\$” or “HK dollar(s)”	HK dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS Accounting Standards”	IFRS Accounting Standards issued by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies), who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third parties independent of the Company and connected persons of the Company
“IoT”	the Internet of Things, a network of physical objects or things embedded with electronics, software, sensors and network connectivity, which enables these objects to collect and exchange data
“Lemo Gongchuang Platform”	Pingtian Lemo Gongchuang Investment Partnership Enterprise (LLP)* (平潭樂摩共創投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 19 November 2021
“Lemo Gongying Platform”	Pingtian Lemo Gongying Investment Partnership Enterprise (LLP)* (平潭樂摩共贏投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 23 August 2023
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	3 December 2025, on which the H Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Local Partner(s)”	entity(ies) who are responsible for sourcing and establishing POS in local regions under our Partner Mode
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“massage equipment”	inclusive of massage chairs and massage cushions
“mechanical massage service”	massage services by utilization of massage equipment tailored based on the market demand, digitalized systems, IoT and automation with technology integrated to enhance the massage experience tailored to different consumption scenarios

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Partner Mode”	the operation mode for our mechanical massage service under which the Local Partners are responsible for sourcing POS sites, operating the POS and maintaining the massage equipment, while we provide a comprehensive mechanical massage service solution, including provision of guidance on POS selection, design and decoration, as well as marketing and promotional strategies, massage equipment, and software and hardware support through our LMB Links
“POS”	point(s) of service for our mechanical massage service
“PRC” or “China”	the People’s Republic of China, excluding for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Laws”	the laws and regulations of the PRC, without reference to the laws and regulations of Hong Kong and the Macao Special Administrative Region of the PRC and the relevant regulations of Taiwan region
“Prospectus”	the prospectus of the Company dated 25 November 2025
“Reporting Period”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO” or “Securities and Future Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company, comprising our Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of our Company
“treasury shares”	has the meaning ascribed to it under the Listing Rules

“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1 each, which is/are not listed on any stock exchange
“US Dollars”	US dollars, the lawful currency of the United States of America
“Zhangchuang Gongying Platform”	Pingtian Zhangchuang Gongying Future Investment Partnership Enterprise (LLP)* (平潭掌創共贏未來投資合夥企業(有限合夥)), formerly known as Fuzhou City Gulou District Zhangchuang Gongying Future Investment Partnership Enterprise (LLP) (福州市鼓樓區掌創共贏未來投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 21 April 2017
“%”	per cent

* For identification purpose only

By Order of the Board
Lemo Services Co., Ltd
Mr. Han Daohu
Chairman and Non-executive Director

Hong Kong, 20 March 2026

As at the date of this announcement, the Board comprises: (i) Mr. Xie Zhonghui, Mr. Feng Baocai and Mr. Chen Xing as executive Directors; (ii) Mr. Han Daohu and Mr. Wu Jinghua as non-executive Directors; and (iii) Mr. Lei Zhigang, Ms. Dong Hui and Mr. SUEK Ka Lun Ernie as independent non-executive Directors.